

The
Indonesian
Quarterly



4

VOL. VI,



CENTRE FOR STRATEGIC AND INTERNATIONAL STUDIES

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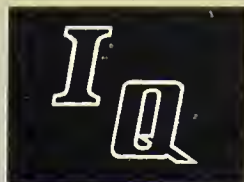
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The Indonesian Quarterly is a medium for the views, research findings and evaluations of scholars, statesmen and creative thinkers in both national and international forum on Indonesia and other related issues, to promote better understanding of the current Indonesian situation and its problems.

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FROM THE EDITOR

Today Indonesia is implementing her Third Five Year Development Plan (Pelita III) for the period of 1979/80 — 1983/84. Based on this plan Indonesia has to raise the majority of the Indonesian people out of the prevailing poverty and gross inequalities of income and wealth. For this reason viewing the years 1985 and 2000 as bench-marks for projections, Sumitro Djojohadikusumo contributes his overview of the fundamental problems and issues which should constitute the main components of Indonesia's economic development strategy.

Bahasa Indonesia is a growing language, which faces many problems pertaining to its development and identification that need to be overcome in order to reach the status of a modern international language. It is however, the duty of the government to study and resolve these problems. The outcome will be a system of instruction of the national language implemented in all categories and levels of educational institutions, as further explained by Achmad Mugalih in his article "Bahasa Indonesia and National Integration".

Also in relation to "Bahasa Indonesia", we have an informative article by Lambert Kelabora, a lecturer in Indonesian Education in Australia who discusses "the Professional Problems Faced by Some Indonesian Language Teachers" and, their solutions. He then questions the survival of teaching bahasa Indonesia in Australia as a school subject, despite the small improvements made where facilities and the communication of ideas are concerned. For the speaking of the same language by the peoples of two nations would be one of the factors that contribute to a relationship of "better understanding" between them.

J.E. Sahetapy talks about juvenile delinquency which he claims to be an ancient problem in the history of criminal law. The issue is that here in Indonesia, not much attention is given to the cases of juvenile delinquency for "most of the attention is focused on a juvenile court which does not even exist yet, not on a juvenile law and never at all on a pretrial perspective".

Another issue pertaining to law is by Satjipto Rahardjo and "The Concept of Social Engineering by Law and Its Application in Indonesia" which he considers as "a process of intelligent and purposive human action which is a very complex endeavour".

Related to Indonesia's Economic Development, pepper constitutes a very important commodity and plays an important role in regional development. To this end Nurimansjah Hasibuan assesses the prospects of pepper production in South Sumatra, which produces most of the Indonesian pepper.

FUTURE PERSPECTIVE OF INDONESIA'S ECONOMY

Sumitro DJOJOHADIKUSUMO

INTRODUCTION

Indonesia is presently preparing her Third Five Year Development Plan for the period 1979/80-1983/84. Building on the foundations laid under the first two Five Year Plans (1969/73-1973/74 and 1974/75-1978/79), the economic, social and political challenge of the next decades is to raise the majority of Indonesian society out of prevailing poverty and gross inequalities of income and wealth. This essay is confined to an overview in bare outline of the fundamental problems and issues which should constitute the main components of whatever development strategy will be adopted and pursued. The period until the middle of the 1980's is crucial to the further sequel of future developments. The years 1985 and 2000 will be viewed as bench-marks for projections.¹ These projections are order-of-magnitudes, containing a fair degree of qualitative assessments. They are presented primarily to illustrate *a likely future* and should not be taken as predictions. A normative element has also been infused and, where relevant, explicitly stated. The size and growth of Indonesia's population as well as its composition and locational distribution confront us with the problems of food supply and productive employment. The creation of productive and remunerative employment opportunities should clearly be an overriding policy objective in order to enable broad layers of the community to obtain food and other necessities of life (clothing, shelter, education and health are within the category of economic and social priorities). By the same token it is the main venue towards the eradication of mass poverty and

¹ Based on recently revised data of the *Study of Indonesia's Long Term Growth Perspectives* under the direction of the present author.

more equity in income distribution. The majority of the labour force constitutes "self-employed" or "informal" groups. Therefore, it is largely a matter of raising the productivity, and hence real income, of its members, while expanding the range of activities beyond the traditional sectors related to agriculture. When all is said and done, coping with the problems of population pressure, employment, food and other basic necessities still requires growth to be sustained at sufficiently high rates. On this point, I have explicitly stated on previous occasions that growth and growth rates cannot be viewed separately from the direction of growth and the pattern of development within a broader social context. It is therefore not merely the size and the rates of investments required to generate sufficiently high growth that are under question. The pattern and the direction of investments, and their allocation to relative economic sectors are of prime importance.

This brings us to the problem of increasing the national economy's capacity to generate finance with decreasing dependence on foreign sources. It is relevant and necessary to assess broadly the resource base and to project likely developments in the balance of payments as an implicit summation of the expected trends in the structure of production, national savings and financial development.

POPULATION AND LABOUR FORCE

At the time of the last full census (October 1971) the population of Indonesia was approximately 118 million, of which 76 million people were domiciled in Java and 43 million outside of Java. Inter-census surveys held in 1976 indicate that at the end of 1975 the population had reached 132 million, of which 83 million lived in Java. With a density of 630 people per square kilometer at the end of 1975, Java is already one of the world's most densely populated areas.

On the basis of the above mentioned inter-census surveys, fertility rates are expected to fall — between now and the year 2000 — by close to fifty percent, more favourable and at a faster rate than we were inclined to assume some five years ago. Mortality rates, although falling significantly as health measures and nutrition improve, are not expected to decline as rapidly as fertility rates.

Hence there will be a declining rate of total population growth over the period under consideration. The rate of population increase is also expected to be substantially lower in Java than outside Java. Population growth in Java for the period 1975-1985 is projected at 1.8% per annum (outside Java 2.4% p.a.) and for the period 1985-2000 at 1.3% per annum (outside Java 2.1% p.a.). These trends indicate a total population of Indonesia of 164 million in 1985 (Java 100 million) and close to 210 million in 2000 (Java 120 million) (See Table I). The proportion of Indonesia's

TABLE I

POPULATION AND LABOR FORCE

	<i>End of Year</i>			
<i>Population × 1 million</i>	<i>1971</i>	<i>1975</i>	<i>1985</i>	<i>2000</i>
Java — Madura	76	83	100	120
Outside Java — Madura	42	49	64	89
Indonesia	118	132	164	209
<i>Density per Km²</i>				
Java — Madura	575	630	752	909
<i>Labor Force × 1 million</i>				
Java — Madura	28	32	40	53
Outside Java — Madura	15	17	23	36
Indonesia	43	49	63	89
<i>Increase in Labor Force × 1 million</i>	<i>1975-1985</i>		<i>1985-2000</i>	
Java — Madura	8		14	
Outside Java — Madura	6		13	
Indonesia	14		27	

population living in Java will decline from 63% in 1975 to 61% in 1985 and 57% at the end of the year 2000. Nevertheless population density of Java by the year 2000 will still exceed 900 people per square kilometer, posing the spectre of Java as an "island city".

Until the end of the century the largest part of the population will still consist of young persons under the age of twenty-five: 62% in 1975, 60% in 1985 and 52% in 2000. Indonesia's labour force comprised 49 million people in 1975 (Java 32 million) and is expected to increase by 1985 to 63 million (Java 40 million) and by 2000 to almost 90 million (Java 53 million). In other words during the period 1975-1985 there will be an increase of total labour force of 14 million (in Java 8 million) and during the period 1985-2000 an increase of 27 million (in Java 14 million).

The foregoing trends in population dynamics indicate the scope and magnitude of employment and income to be provided in the coming decades.

GROWTH, PER CAPITA INCOME AND STRUCTURAL CHANGE

The rate of growth of national income, in terms of GDP and expressed in constant 1973 prices is projected at average annual rates of 6.9% for the period 1975-1985 and 7.5% for 1985-2000. Gross Domestic Product is expected to increase in real terms, expressed in constant 1973 prices, with more than 5.5 times in year 2000 relative to 1975. Taken together with the population trends projected above, real per capita income over the same period will increase by 3.5 times. Per capita income, expressed in constant 1973 prices, will grow from US\$ 140 per capita in 1975 to \$ 220 in 1985 and \$ 510 in 2000 (See Tables II, III, IV).

TABLE II

PROJECTED GROSS DOMESTIC PRODUCT, TOTAL AND PER CAPITA 1975-2000

	1971	1975	1985	2000
Gross Domestic Product*	5,545	7,631	14,835	44,046
Population**	108	131	162	208
Gross Domestic Product Per Capita, Rp***	46,675	58,565	91,687	211,760
Gross Domestic Product Per Capita, US\$****	112	141	221	510

* Billions of Rupiah, 1973 Constant Prices

** In millions of persons, in the middle of the year

*** 1973 Constant Prices

**** 1973 Constant Prices

TABLE III

ECONOMIC GROWTH RATE BY SECTOR			
<i>Average percentage per year</i>	<i>1971-1975</i>	<i>1975-1985</i>	<i>1985-2000</i>
<i>Gross Domestic Product</i>	8.3	6.9	7.5
Agriculture*	3.6	4.1	4.6
Mining	10.7	6.2	4.8
Industry	14.7	11.4	10.4
Construction	20.9	8.9	8.0
Transportation & Communication	9.6	10.5	9.5
Others	10.2	7.4	8.1

* Including: foodstuff, plantation, livestock, fishery, forestry

TABLE IV

STRUCTURAL CHANGES IN THE INDONESIAN ECONOMY
COMPOSITION OF GROSS DOMESTIC PRODUCT BY SECTOR (IN %)

	<i>1971</i>	<i>1975</i>	<i>1985</i>	<i>2000</i>
I. <i>Primary Sector</i>	53.9	47.7	38.6	25.7
1. Agriculture	44.0	36.8	28.4	18.8
2. Mining	9.9	10.9	10.2	6.9
II. <i>Secondary Sector</i>	11.9	15.9	22.1	30.8
3. Industry	8.8	11.1	16.6	24.9
4. Construction	3.1	4.8	5.5	5.9
III. <i>Tertiary Sector</i>	34.1	36.4	39.3	43.7
5. Transportation and Communication	3.8	3.9	5.2	6.8
6. Others*	30.3	32.5	34.1	36.9

* Education, Health, Government, Electricity, Gas, Drinking Water, Trade, Banking, and others

The expected growth in total GDP is the aggregated net result of the growth in each sector of the economy. Gross added value in the agricultural sector² was on an average annual basis 3.6% p.a. during the years 1971-1975 and projected at a higher average of 4.1% p.a. for 1975-1985 and 4.6% p.a. for 1985-2000. Growth rates of secondary industries were quite high during 1971-1975: manufacturing close to 15% p.a. and construction 21% p.a. These high rates were attained mainly because of the low level of activities prior to 1971 to start with. Manufacturing is expected to grow at

2 Agricultural sector comprises: food and non food crops, fisheries, animal husbandry and forestry.

lower rates in the future, viz. about 11.5% p.a. for 1975-1985 and 10.5% p.a. for 1985-2000, and the same applies to construction activities: 9% p.a. for 1975-1985 and 8% p.a. for 1985-2000. Mining generated a gross added value of almost 11% p.a. during 1971-1975, but is also expected to expand at declining rates: 6% p.a. in 1975-1985 and below 5% p.a. in 1985-2000.

The above set of differing sectoral growth rates will lead to significant structural change in the Indonesian economy, reflected in the composition of the national product. The share of the agricultural sector in total output will be declining from its current level of 37% to 28% in 1985 and 19% in year 2000. This is a normal concomitant of economic development, and since 19% in 2000 will be of a much larger GDP, the absolute output of agriculture will of course rise: by almost three times the level of that in 1975. By contrast the share of industry in total output will become considerably larger, increasing from 11% in 1975 to 17% in 1985 and 25% in 2000. Hence in another 20 to 25 years the contribution of industrial production to national income is expected to exceed that of agriculture by some 6%. During that period Indonesia will have developed from her present state of an "industrializing" economy to a "semi-industrialized" economy of the year 2000.³ The tertiary sector of servicing⁴ will also increase its share of gross domestic product from 36% in 1975 to 39% in 1985 and 44% in 2000.

EMPLOYMENT AND EDUCATION

By applying to the varying sectoral output levels, as indicated above, the expected growth in productivity per worker by sector would lead to estimates as to employment opportunities, in total and by sector and sub-sector (See Table V).

3 Cf. UNIDO, *Industrial Development Survey; Special Issue for the Second General Conference of UNIDO*; 1D/CONF, 3/2 (1D/134), New York 1974, p. 12. If the ratio of industry (gross added value) to GDP is less than 10%, the country concerned is categorized as a "non-industrial" country; from 10% to 20% as an "industrializing" country; from 20% to 30% as a "semi-industrialized" country; exceeding 30% as an "industrialized" country.

4 Tertiary sector comprises: transportation/communication, banking, trade, government, education, health, electricity, gas, drinking water, and others.

TABLE V

ESTIMATED EMPLOYMENT OPPORTUNITIES BY SECTOR, 1971-2000 (IN THOUSANDS OF PERSONS)

SECTOR		1971	1985	2000
I.	<i>Primary Sector</i>	25,016	27,017	30,671
	1. Agriculture	24,936	28,072	33,803
	2. Mining	80	124	155
II.	<i>Secondary Sector</i>	3,213	7,743	16,041
	3. Industry	2,573	5,822	12,410
	a. Large	(1,010)	(2,536)	(6,601)
	b. Small	(1,563)	(3,286)	(5,809)
	4. Construction	640	1,918	3,694
III.	<i>Tertiary Sector</i>	9,398	21,834	37,084
	5. Transportation & Communication	901	1,726	3,383
	6. Others	8,497	18,666	31,995
	a. Electricity, Gas & Water	35	(70)	(241)
	b. Others outside Electricity	8,462	(18,596)	(31,754)
Total of Employment Opportunities		37,627	56,594	83,796

In summarized form the outlook of employment opportunities would look as follows:

in millions of people

	1971	1985	2000
Primary Sector: (Agriculture/Mining)	25.0	27.0	30.7
Secondary Sector: (Industry/Construction)	3.2	7.7	16.0
Tertiary Sector (Services)	9.4	21.8	37.1
Total Employment Opportunities	37.6	56.5	83.8

Above projections indicate that the process of structural change that is likely to characterize the development of the production sectors during the remainder of the century will result in only a moderate proportionate addition to employment opportunities in the primary sector. However it should entail proportionately significant additions in the secondary and tertiary sectors of production.

It also means the precondition of intensified efforts being made to create a formidable number of new jobs. Disguised unemploy-

ment and underemployment occurs in the agricultural as well as in the industrial and service sectors. The government's objective is to hold unemployment in 1985 to levels no higher than those in 1971, i.e. creating new employment opportunities equal to the additions to the labour force; and to reduce unemployment in the year 2000 to no more than 5%.

The employment objectives are, together with those of food supplies, the major challenge to public policy. These objectives entail a whole range of interrelated policies concerning proper programmes of education and training, the appropriate management of our natural resources, the right selection of technologies, programmes to enhance the management and marketing capabilities of labour intensive industries, and consistent fiscal and monetary policies.

Education is a key component in the effectiveness and the welfare of our human resources. Educational performance is currently still characterized by only moderate participation (enrollment) rates and by a higher rate of attrition (school leavers) than is desirable. An energetically pursued but feasible programme of educational development would raise school enrollment overall from the 49% in 1971 to 58% in 1985 and to 70% at the end of the century. More significantly by the year 2000 the 7-12 year age group would approach full participation (95%) providing the nation with almost universal literacy. The participation of the 13-15 year age group could also increase substantially from 44% to 62%, thereby creating a broader base of vocationally trained participants in the productive process. While the proportion of the age group 16-18 years enrolled in school is likely to increase proportionately less, from 21% to 28%, the quality of education at this level can be expected to improve over present standards.

It is essential that the quality of education afforded to future generations be dramatically raised from present levels. It requires thoroughly revised curricula entailing among other things a larger role for developing vocational skills and basic science education. It also requires a reduction in the student teacher ratio and, needless to emphasize, the upgrading of the quality of teachers. The required increase in the number of teachers is envisaged from about 700 thousand in 1971 to double that number, 1.4 million in 1985 and to more than three-fold, 2.4 million in the year 2000.

FOOD

Rice production has steadily increased during the period 1970-1976 (with the exception of the year 1972): from 25.2 million tons unmilled rice (padi) in 1970 to 30.4 million tons in 1976. Nevertheless Indonesia had to import large amounts of rice for the last five years, and last year 1977 imports reached 2.6 million tons. Apart from diverting much needed foreign exchange from other development priorities, in particular in the social sector, it has placed us in a most vulnerable position in the international trading world of grains. Last year's imports amounted to no less than 20% of world trading of rice.

Productivity in terms of yield per hectare has substantially improved and is currently close to 2.6 tons per ha. It is higher than many other Asian countries, but still considerably lower than yields in Taiwan (4.5 tons) Korea, Japan (5.6 tons) and Italy (4.6 tons). Although in order to cope with the consumption needs of a growing population an extension of cultivated area, i.e. on land available outside Java, is necessary and unavoidable, there is still scope for significantly raising the productivity of acreage under cultivation. This certainly holds true for non-rice food crops, such as maize, vegetables fruits, soy beans, sweet potatoes, cassava, ground nuts. In these areas yields per ha. in Indonesia have fallen behind those achieved in other Asian countries

We have seen before that the growth rate in the agricultural sector, in terms of gross value added, was 3.6% per annum during 1971-1975. It is still low if we apply the yardstick which emerged from Leontief's study based on the development of a world input-output model.⁵ Leontief's proposition is that in order to sustain growth of the national product at 7% per annum, agricultural output should increase at a rate of 5% per annum.

If agricultural output falls short of such a ratio, inevitably large parts of the population will have serious difficulties in meeting food/requirements or the situation will necessitate substantial imports. The latter has apparently been the case in Indonesia during the last few years, not only in regard to rice but also maize, soybeans and coconut-oil.

⁵ Wasily Leontief et.al. *The Future of The World Economy*, United Nations Study, New York, Oxford University Press, 1977; p. 4 and table 14, p.35

Therefore increased growth of the agricultural sector is projected at average annual rates of 4.1% to 4.5% p.a. for 1975-1985 and 4.6% to 5% p.a. for 1985-2000. These are put forward here as normative objectives that must and can be achieved if concentrated efforts are made in that direction. At least for rice production, self sufficiency should be aimed at towards 1990. Regarding non-rice food crops, such as maize, vegetables, fruits, inland fish, animal feed, etc., growth is expected to be only slightly less rapid than GDP. Income elasticity of demand for these is significantly higher than for cereals. In addition export demand can also contribute to an expansion of output.

The role of livestock, forestry and fisheries in total agricultural activity can be expected to increase noticeably, from 22% in 1975 to 28% in 1985 and 35% in 2000. Income elasticities are high, current levels of output are low relative to the potential made possible by resource endowments and strong foreign demand. Rubber remains the biggest source of employment in non-food production. Its future, in terms of quantity and price is brighter than it was thought to be in the early 1970's, — provided that on the domestic level a great deal more effective action will be exerted in the realm of replanting and scientific research than has heretofore been the case. The same applies to coconut and coconut oil for which domestic demand will continue to expand.

The above objectives and expectations with respect to agricultural output calls for the consistent implementation of a cohesive set of policies. These entail the whole range of preharvest research and technologies pertinent to soil and plant analysis, ground water surveys, new planting and breeding materials; irrigation extending to tertiary canals and improved water resources management; extension services and cultivation practices with appropriate composition patterns of fertilizer and other inputs, and relative programmes for the dissemination of information; investment in post harvest technologies (storage, transportation, processing, marketing). Not in the least important are policies designed to improve the terms of trade from the viewpoint of agricultural producers. The absence of above set of policy actions, or even their half-hearted implementation, will cause performance to fall short of what we now project. Conversely, if those factors are correctly dealt with, the expectations could be exceeded.

INVESTMENT: REQUIREMENTS AND SOURCES

Total investment required in connection with the growth projections of real output and employment, indicated in the foregoing paragraphs, have been estimated on the basis of the expansion of output anticipated for each sector individually. Investment projections involve *cumulative* investments during a certain period under consideration. This is because gross added value in a given year is mostly not the result of investment during that particular year, but of investments implemented during a period of preceding years.

Taken in that sense the requirement of (cumulative) investment is estimated, *in constant 1973 prices* and in round figures, for the period 1975-1984 at 20,000 billion rupiah and for the period 1985-1999 at 96,000 billion rupiah (See Table VI, conversion rate Rp 415,- = US\$ 1.-).

TABLE VI

ESTIMATED INVESTMENT REQUIREMENTS (CUMULATIVE) BY SECTOR
1973 CONSTANT PRICES

Sector	1975-1984		1985-1999	
	(billion rupiahs)	%	(billion rupiahs)	%
1. Agriculture	2,512	12.56	8,702	9.07
2. Mining	2,545	12.73	6,052	6.31
3. Industry	5,706	28.53	32,084	33.45
4. Construction	868	4.34	3,534	3.68
5. Transportation and Communication	3,158	15.79	16,109	16.79
6. Others	3,977	19.89	24,052	25.07
a. Electricity, Gas, Drinking Water	(1,105)	(5.53)	(12,152)	(13.67)
b. Other than electricity	(2,872)	(14.36)	(11,900)	(12.41)
7. Working Capital Addition	1,233	6.17	5,393	5.62
Total Investment	19,999	100	95,926	100

It means that investment requirements during 1975-1984 amount to 2.5 times the gross domestic product of 1975 and during 1985-1999 about 6.5 times the gross domestic product of 1985. In terms of ratios to national income and as percentages of GDP (cumulative) investment must be raised from 18% during 1971-1975 to 21% during 1975-1984 and 26% during 1985-1999. Invest-

ment is expected to be increasingly directed to industry, transportation and communication, electricity, gas and drinking water. The aforementioned sectors together will require 50% of total investment in 1975-1984 and 64% of total investment in 1985-2000.

The mobilization of domestic resources must be intensified, i.e. public and private savings need to be raised considerably, if we want to reduce the role of external sources of finance (loans, grants, private capital inflow). In this context the ratio of domestic savings to total investments, which during 1971-1975 was 80% is projected at 82% during 1975-1984 and 89% for the period 1985-1999 (See Table VII). Private savings will have to become the

TABLE VII

ESTIMATED AND PROJECTED COMPOSITION OF SOURCES FOR INVESTMENT FINANCE (CUMULATIVE) 1971-2000			
<i>Sources for Investment Finance</i>	<i>1971-1975</i>	<i>1975-1984</i>	<i>1985-1999</i>
I. <i>National Savings</i>	80.9	78.9	89.2
a. Government Savings	30.4	29.7	34.6
b. Community Savings	50.5	49.2	54.6
II. <i>External Sources for Investment</i>	19.1	21.1	10.8
	100	100	100

larger relative to public savings (government) at the end of the period. Up till now public savings have been larger than private savings. In terms of ratios to national income and as percentages of GDP, total domestic savings must be raised from 15% during 1971-1975 to 17% during 1975-1984 and to 23% during 1985-1999 (See Table VIII).

TABLE VIII

ROLE OF INVESTMENT AND FINANCIAL RESOURCES (CUMULATIVE) AS PERCENTAGE OF GROSS DOMESTIC PRODUCT			
	<i>1971-1975</i>	<i>1975-1984</i>	<i>1985-1999</i>
I. <i>Investment Total</i>	18.3	21.0	25.6
II. <i>Investment Finance Resources</i>	18.3	21.0	25.6
1. <i>National Savings</i>	14.8	16.6	22.8
a. Government	5.6	6.2	8.8
b. Community	9.2	10.4	14.0
2. <i>External Sources</i>	3.5	4.4	2.8

To the extent that Indonesia would succeed in raising the level of domestic resources as indicated above, the role of external funds would decline both relative to domestic savings and as a ratio to national income.⁶ However, there would still be a substantial "resource-gap": as the total investment requirements would be much greater, external sources required would also be on a higher level in absolute terms. The cumulative needs for external sources of funds is estimated (expressed in *current* prices) at US\$ 25 billion for the period 1975-1984 and US\$ 140 billion for the period 1985-2000.

BALANCE OF PAYMENTS

Current projections indicate increases of total exports of commodities (visible trade) from 4.7 billion dollars (current prices) in 1975 and 6.1 billion dollars in 1976 to 16.5 billion dollars in 1985 and 58.9 billion dollars in 2000. Thus export growth, which was 30% from 1975 to 1976, is expected to proceed at 11.5% p.a. during 1976-1985 and 9% p.a. during 1985-2000. Developments in the size

TABLE IX

ESTIMATED EXPORT VALUE 1975-2000 (AT CURRENT PRICES IN 10⁶ US\$)

Commodity Group	1975	%	1985	%	2000	%
I. <i>Non-Energy Commodities</i>	1,801	38.0	8,672	52.7	45,439	77.1
A. Agricultural and Industrial Products	1,513	32.0	6,926	42.1	37,667	63.9
1. Timber	502	10.6	3,044	18.5	16,178	27.5
2. Rubber	365	7.7	1,065	6.1	3,657	6.2
3. Fish and Livestock	91	1.9	560	3.4	3,158	5.3
4. Coffee, Tea, Tobacco, Vegetable Oil	385	7.6	1,069	6.5	4,456	7.5
5. Animal feed	85	1.2	272	1.6	1,372	2.3
6. Spices e.o.	118	2.5	317	1.9	1,554	2.6
7. Industrial and Craft products	21	0.4	599	3.6	7,292	12.4
B. Non-fuel Minerals	288	6.0	1,762	10.7	7,772	13.2
II. <i>Net Export of Energy fuels</i>	2,927	61.9	7,785	47.3	13,470	22.9
Total Export Value	4,728	100	16,457	100	58,900	100

⁶ The figures in this review relate to *cumulative* investments during periods of years.

and composition of exports⁷ reflect structural changes in the Indonesian economy outlined before.

The share of energy fuels (oil, gas, coal) in total exports is expected to decline from 62% in 1975 to 47% in 1985 and 23% in 2000. Timber and timber products, industry and non-fuel minerals will increase their respective shares in total exports: Timber from 11% in 1975 to 19% in 1985 and 27% in 2000; Industry (manufacturing, processed goods and craft products) from 0.4% in 1975 to almost 4% in 1985 and 12% in 2000. Non-fuel minerals (tin, nickel, bauxite, copper, iron sand) from 6% in 1975 to 11% in 1985 and 13% in 2000.

The share of agricultural commodities outside timber (rubber, coffee, tea, tobacco, vegetable oils, spices, fish and livestock, animal feed) is expected to decline from 21% of total exports in 1975 to 19% in 1985, and then to rise again to 25% in 2000.

Total imports of goods and services (net balance on service transactions in the international accounts) tend of course to grow considerably in response to rising consumption demands as per capita income rises and to increasing input requirements as domestic output expands. Future import projections indicate the likely *maximum* that the economy could afford and that would at the same time be consistent with the input demands of projected output growth. In this context, the value of imports which in 1975 amounted to over US\$ 5 billion would rise to import bills of US\$ 20 billion in 1985 and US\$ 73 billion in 2000. These increases represent import growth of 15% p.a. for the period 1975-1985 and almost 9% p.a. for 1985-2000. As mentioned before, those figures represent normative maximum limits.

Yet taking imports and exports together, there is the prospect of an increasing trade gap. This was implied in the total resource gap that was already identified before. With exports estimated at 16.5 billion dollars for 1985 and 58.9 billion for 2000, there will be a foreign exchange gap in 1985 of between 3.5 to 4 billion dollars and in 2000 of 14 billion dollars (See Table X). The constraints and relative scarcity of foreign exchange will pose a serious and persistent problem in the coming decades. They will have to be

7 See Table IX. Export figures of energy fuels are given on a *net basis*, i.e. having already taken into account relative imports.

coped with by the appropriate combination of export expansion and import substitution policies.

TABLE X

FOREIGN EXCHANGE FOR IMPORT BILL OF GOODS AND SERVICES (IN MIL-LION US\$, CURRENT PRICES)		
	1985	2000
1. Exports, outside energy	8,672	45,439
2. Net Exports of energy	7,785	13,470
3. Foreign Sources of Finance (Foreign Exchange Gap)	4,084	14,172
Total Foreign Exchange required	20,541	73,081

ENERGY AND NON-FUEL MINERALS

A key assumption for the projections and estimates contained in the foregoing paragraphs is that production of crude oil which amounted to 1.3 million barrels a day in 1975 and 1.6 million in 1977 would reach 1.9 million barrels a day in 1985 and 3 million in 2000. The entire picture would change should these assumed production targets not be attained for some reason or other.

At present there is a heavy and vulnerable dependence on oil for Indonesia's foreign exchange earnings and the government's revenues. In 1975 oil exports contributed more than 60% to foreign exchange receipts. In that same year more than 70% of government revenues came from direct taxes. But of these direct taxes, not less than 78% was derived from oil companies' taxes. In this respect, speedy diversification of the Indonesian economy (horizontal and vertical) is clearly called for.

Indonesia's domestic economy is overdependent on two energy sources: oil and firewood. An optimal development strategy requires reduced reliance on both of these sources of primary energy, at least in relative terms for oil but in absolute terms of firewood. Reducing domestic use of petroleum products or constraining the growth in their use, would free resources for export that have a higher real value in international trade than do the alternative resources that must be used in their place in the short and intermediate term, e.g. coal.

Starting in the early 1980's and over the next several decades coal will undoubtedly be Indonesia's major "new" energy resource. On present available data, known coal reserves are estimated at 10 billion tons in Sumatra and about 6 billion tons in Kalimantan. The government has taken the principal policy decision that all future thermal additions to the electric power generation system must be coal fired. Initial work is now under way on a tripartite project to establish, in three phases, a 3000 MW coal fired station on the Northwest coast of Java; to rehabilitate and expand the Bukit Asem coal mine in South Sumatra in order to produce 2 million tons of coal per year; and to upgrade the railroad system to carry the coal to a transfer point at the Southern tip of Sumatra.

Indonesia appears also favourably placed with respect to geothermal power. Recent surveys indicate potential geothermal sources that could furnish the basis for 1500 MW of electric generation, of which 900 MW is located in Java and 600 MW in Sumatra. The process of evaluating the potential for energy from this source has only just begun.

In the field of non-fuel minerals Indonesia can be expected to remain a major producer of tin and a significant one of bauxite, and may become by the middle 1980's a leading producer of nickel after Canada and New Caledonia. Among Indonesian metals there is doubt for nickel that its price will keep up with general price inflation but the expansion of nickel output might be such that its contribution to national income and employment is likely to grow. On the other hand the increase in relative real price of tin is likely to be one of the highest, experienced by any commodity over the next two decades.⁸ As to bauxite, aluminium and copper, moderate relative real price increases are expected.

INDUSTRY

Performance of substantial growth are anticipated pertinent to the timber based industries (plywood, clipboard, furniture, pulp and paper); chemicals (availability of domestic feed stock and

8 Cf. Anthony Edwards, *Raw Material Prices in the 1980's*, EIU, December 1977, p.9; and *The World Tin Economy: An Econometric Analysis*, IBRD Staff Commodity Paper, January 1978, Table II.3.

energy intensity); metals and machinery; publishing and printing; and food processing.

Although there has been investment in sawnwood and plywood capacity, the largest portion of Indonesian timber harvest is presently still exported as logs. This aspect is now being dealt with by the government and by the industry. We may expect that within the next 5 to 10 years export of logs will be entirely replaced by sawn timber, veneer, plywood, furniture parts and components for prefabricated building.

The steel making industry now being created is designed to play an important role in the economies of the construction and engineering industries, with a particular view of the oil and mining sectors. The first stage in the production of machinery lines will be the production of spares for equipment that is widely in use. Non electrical and electrical machinery, and transport equipment are held to be industries with high potential for profitable expansion.

In the realm of the more labour intensive industries is the potential of processing of agricultural commodities in general, and in particular of food processing industries for export and domestic consumption catering to rising budgets.

The textile industry is already extensive and capacity is relatively large compared to the market. It is thought that in the near future most investment in textile industry will be in replacement, upgrading and modernization.

The above expectations regarding the growth of particular industries are feasible in terms of availability of inputs, markets and investment requirements. However, a number of requirements will have to be met in addition to the right balance of skills, technology and resources. Efficiency considerations must move to the center of the stage. These refer in the first instance to counter-productive red tape, administrative delays and institutional deficiencies. In general, more vigorous efforts must be made to achieve cost effectiveness. Perhaps most important will be the appropriate management of our natural resources. Failing this, industrial growth could fall far short of what could otherwise be achieved.

BAHASA INDONESIA AND NATIONAL INTEGRATION

Achmad MUGALIH

INTRODUCTION

Language plays an important role in the process of national integration. It provides the people a means of communication and unites them into a unit. Many nations in the world are born on the grounds of language. European nations are the best examples of this process. Geographically, all of Europe can be considered as a single unit. But the fact that different languages were spoken by different groups created divisions in Europe. This gave birth to separate nations. In the last century and the beginning of this century, various independent nations emerged on the map of Europe. The basis of these new nations was, above all, a single language spoken by their people which was distinct from the language spoken by their neighbours.

In Asia, the process of nation-building was not strongly guided by this "one language" formula. The reason for this was the fact that many Asian nations had achieved national unity several centuries ago. National unity was facilitated by their political development and historical background. China, India and Indonesia have witnessed unity and integrity throughout the past centuries, because their political and administrative unity under the great empires had become a historical and geographical fact. Europe in its totality was never ruled by a single empire for more than a century. But there existed a Chinese or Indian or Indonesian empire for many centuries. This made the political unity of these nations possible in the modern era, despite the fact that these countries are basically multi-lingual countries.

Scholars have placed great emphasis on language for the achievement of nationhood by a nation. The colonial powers ex-

exploited this fact to their own advantage and succeeded in ruling vast Asian and African territories by creating a division among their subjects on the basis of language, religion and social practice. This process gave birth to various "semi-nationalities" during the colonial period. But with the awakening of Asia these artificial barriers were quickly destroyed by the wave of nationalism and independence. The freedom struggles of the Asian countries, especially those of India and Indonesia, show that the people were ready to make great sacrifices for gaining independence. Both these countries had never considered their multi-lingual societies as barriers to national unity and independence. For the greater cause of unity and freedom, the Indian people even accepted the language of their colonial masters as the lingua-franca of their nation after independence, just to attain their basic goal of integration and independence. On the other hand the Indonesian people had to subordinate their old loyalty to the various regional languages and adopt Bahasa Indonesia as their link-language, despite the fact that this language was spoken by a minority. In both these examples, one can see the spirit of sacrifice, nationalism and the will to unite.

BAHASA INDONESIA AS THE NATIONAL LANGUAGE

In Indonesia, Bahasa Indonesia has played a positive role in the process of integration. Not only that, it has also accelerated the national freedom struggle and provided the people with a sense of unity. The role of Bahasa Indonesia must be duly acknowledged in the process of Indonesian nation-building. It has now become an essential factor in the unity and nationhood of Indonesia. But this phenomenon is not without precedent. For centuries, Indonesia had used a common language for commercial purposes. The 20th century repeated the history of the great commercial empires in the archipelago, when there had been various languages, but where the entrepots, trading centres, and courts of the emperors had given birth to a link language that played an important role in the integration and unity of the country. This fact was well understood by the young nationalists when they were fighting against Dutch colonialism, and so they utilized the language of trading centres and entrepots as their national language.

The origin of the Bahasa Indonesia is the Malay language, which is spoken in the provinces of West Sumatra, East Sumatra and Riau and on the western coast of the Malay peninsula opposite the last two Sumatran provinces. In addition to this Malay language, also known as High Malay, another language developed, called Low Malay or Bazaar Malay. Low Malay was not pure Malay because it contained foreign words brought into the Malay language by foreign traders passing through the Straits of Malacca for a number of centuries. This Low Malay containing foreign words, i.e., from Tamil, Gujarati, Arabic, Persian, Portuguese and Dutch, was spoken in many port cities of the archipelago.

The emergence of Malay as the lingua franca of the archipelago must be seen in connection with the role of the Srivijaya empire which flourished from the 7th till the 12th century A.D. During that period the Malay language began to spread throughout the archipelago. There were several reasons for this spread of the language. Firstly, the regions where Malay was the native language were located on both sides of the Malacca straits and around the South Chinese Sea, i.e., on the most important routes leading to the archipelago and on the only connecting route between the Western countries and the Far East. Secondly, as the Malay race had a seafaring and commercial habit, they journeyed far from their native lands for most of the year. Thirdly, Palembang and Malacca, both trading centres, belonged to the Malay-speaking regions.¹

As a matter of fact, when the archipelago was culturally or politically ruled by a foreign power, the language of that power became the language of the ruling elite e.g., Sanskrit during the Hindu period, Arabic during the Islamic period, Dutch during the Dutch period and Japanese during the Japanese period. However, as the structure of the foreign language differed from the native language, and because it was spoken only by a small section of the people, the local people naturally continued to use the native language as well.²

1 S. Takdir Alisjahbana, *Tatabahasa Baru Bahasa Indonesia-I* (The New Structure of the Indonesian Language-I), (Jakarta: 1949), p.3

2 *Ibid.*, p.3

THE MALAY LANGUAGE DURING THE DUTCH COLONIAL PERIOD

During the 18th and 19th century the Dutch policy was to introduce Malay in order to communicate with the people and thus consolidate its power. In this connection the government believed in two Dutch proverbs, i.e., "the language makes the people", and "the language is the people."³

This policy was also pursued by the Christian and Moslem missionaries who used High Malay for the spread of their religions. In Central and East Java, the Javanese language was in wider use. Javanese was rather difficult to learn because of the social gradation of its vocabulary, while Malay was simple and democratic. Therefore, from the beginning of the 20th century, High Malay was introduced in all primary schools for Indonesian children. For this purpose, the government established in 1908 the "Commissie voor de Inlandse School en Volkslectuur" (Committee for the Native School and People's Literature), the task of which was not only to compose various text books to be used in schools but also to select and publish popular literature written in High Malay and other regional languages. In 1917 this committee was transformed into a permanent office called "Balai Poestaka" (Library Centre), the name of which was preserved after the independence of Indonesia. A list of some of these selected literary books is given below.⁴

1. *Pertemoean* (The meeting) by A.S. Pamontjak Nam Sati (1927).
2. *Si Cebol rindukan bulan* (The dwarf desires to go to the moon) by Aman Datoek Madjoindo (1934).
3. *Sebabnja Rafiah tersesat* (Why Rafiah lost her way) by A. Dt. Madjoindo and S. Hardjosoemarto (1935).
4. *Kehilangan Mestika* (The disappearance of a dear one) by Hamidah (1935).
5. *Tenggelamnya kapal van der Wijck* (The sea accident of the steamer van der Wijck) by H.A.M.K. Amrullah (1938).

By 1924 the Balai Poestaka had published about 2000 titles besides almanacs and the magazines *Sari Poestaka*, *Pandji Poestaka*

3 J.E. Hoffman, "The Malay Language as a force for unity in the Indonesian archipelago, 1815-1800", *Nusantara*, bi 14 July 1973, Kuala Lumpur, p. 22

4 Asis Saficedin and Ramaini, *Galian Sastra* (Library collections), (Jakarta: 1974), p.51

and *Kedjawen*. Its merit was that it provided an opportunity for Indonesian writers to write for publication, which was beneficial to the development of Bahasa Indonesia. The use of Malay was also promoted to non-governmental bodies and newspapers. The Taman Siswa schools founded in 1922 by Soewardi Soerjoningrat and his associates, where Dutch and Malay were the media of instruction, published a yearly almanac containing writings in Malay on educational and general topics. In 1895 a bi-weekly newspaper called *Retnodoemilah* was founded in Surakarta (Central Java), appearing in Javanese and Malay. This was followed in 1899 by *Darmo-Kondho*, a tri-weekly published in Javanese and Malay. And Boedi Oetomo issued a daily paper in three languages, Javanese, Malay and Dutch, from 1920 till 1924.⁵

The use of Malay was further encouraged by the government when it instructed a Dutch linguist, A.F. Von de Wall, to compose a Malay-Dutch dictionary. It was published in 4 volumes, in the years 1877, 1880, 1884 and 1897. Here follows a list of Malay-Dutch dictionaries completed during Dutch rule:

1. *Nieuw Hollandsch-Maliesch, Maleisch-Hollandsch Woordenboek*, by H.L. Hadings (1879).
2. *Algemeen Hollandsch-Maleisch Woordenboek*, by P.P. Roorda van Eysinga (1877).
3. *Maleis Woordenboek*, by PH.S. van Ronkel (1939).
4. *Maleis Zakwoordenboekje*, by T.T. Bezemer (1932).
5. *Maleisch-Nederlandsch Woordenboek*, by H.C. Klinkert (1902).
6. *Hollandsch-Maleisch, Maleisch-Hollandsch Woordenboek*, by H.L.J. Badings (1912).

It is also worth noting that the Christian missionaries were responsible for preparing a great number of dictionaries in Malay and other regional languages. The New Testament was published in Malay in 1731 and the Old Testament in 1733.

The use of Malay was also a question which drew much attention from the youth organizations, especially in Java. In the beginning of the 20th century many students from the Outer Islands such as Sumatra, Sulawesi, the Moluccas and Bali, were sent to Java to continue their studies at secondary schools or colleges. During the first years of their stay, these students did not mix freely with

5 Suripan Sadi Hutomo, *Telaah Kesusasteraan Jawa Modern* (Survey of the Modern Javanese Literature), published by the Ministry of Education and Culture, (Jakarta: 1975), p.9

the local students because regional feelings were still strong. For this reason, they did not want to join local youth organizations but formed their own organization in order to preserve their own identity such as language and other cultural elements.

At that time the first student organizations established in Java were Jong Sumatra (one of the leaders was Nasir Datoek Pamontjak), Jong Minahasa (led by Alex Andries Maramis) and Tri-koro Darmo-Jong Java (led by Achmad Soebardjo). The existence of these different organizations reveals that the youth were divided according to the existing sub-races. It is worth noting that these youth leaders and students would join together into *one* student organization when they continued their studies in Holland.

In discussing the student movement and its role in the development of Malay as the national language, the role of the Indonesian students in Holland should also be taken into account. The first Indonesian students who arrived in that country established in 1908 an association called Indische Vereniging (Association of the Indies), founded on a social and cultural basis. Among the students were those who later held the highest posts or became top political leaders in the Republic of Indonesia, such as Mohammad Hatta, Achmad Soebardjo (Minister of Foreign Affairs), Sartono (Speaker of Parliament), Ali Sastroamidjojo (Prime Minister) and others. Compared to the students who remained in Indonesia, these students in Holland were more dependent on one another because they were living far away from their parents and relatives for a very long time. For this reason, they easily integrated themselves into one group with a strong national orientation, leaving aside their regional feelings. This association, which originally had only a social-cultural nature, took on a political outlook after the arrival in 1915 of Soewardi Soerjaningrat (later named Ki Hadjar Dewantoro), Dr. Tjipto Mangoenkoesoemo and Dr. E.F.E. Douwes Dekker. They were deported to Holland on grounds of political activities directed against Dutch colonial rule. It was not surprising that the old name of Indische Vereniging was changed to Indonesische Vereniging (1922-1925) and later changed again to Perhimpunan Indonesia (Indonesian Union), an Indonesian name.⁶ From 1925 this association issued a bulletin called *Indo-*

6 Achmad Soebardjo Djojoadisoejo, "Kenang-kenangan akan saudara Muhammad Hatta", in *Bung Hatta* (Jakarta, 1972), p. 117-137. On the occasion of Bung Hatta's 70th birthday

nesia Mardeka (Independent Indonesia) which used two languages, Dutch and Malay. Through this bulletin and other media of communication, these students played an important role in guiding and influencing the students and youth in Indonesia in promoting nationalistic feelings and national integration. The effect of these bulletins was so great that the government decided to impose censorship on them and even prohibited their entry into Indonesia.⁷

In this context the students in Java founded a new organization called Jong Indonesia in February 1927, with the aim of uniting all students into one organization. It held its first conference in Bandung on December 25-26, 1927. This conference agreed to establish a kind of federation under the name Pemoeda Indonesia (Indonesian Youth), in which all existing youth and students organizations were united. It also adopted the Malay language as the official medium of communication, called Bahasa Indonesia. The significance of these decisions was that a regional language spoken by only one-twentieth, or 4.97 per cent, of the total population, was adopted as the national language. This was achieved mainly by the readiness of the major sub-races such as the Javanese (47.02%), the Sundanese (14.53%), and other sub-races to overcome their regional feelings in order to achieve a higher ideal of the unity of the Indonesian people.⁸ Thus, the road leading to a complete cultural integration was open. Consequently, a historic conference was held on October 26-28, 1928 in Batavia (Jakarta), in which the Soempah Pemoeda (Youth Pledge) was announced, expressing:

1. One State, being the Indonesian State.
2. One Nation, being the Indonesian Nation.
3. One Language, being the Bahasa Indonesia.

The national anthem, *Indonesia Raya* (Greater Indonesia), was also played for the first time by its composer, Wage Rudolf Soepratman, during this conference. The text of the National anthem is as follows:

7 Dr. H. Roeslan Abdulgani, "Sekelumit Tjatatatan Pribadi dari Gudang kenang-kenangan" (Some Personal notes from a collection of memories), in *Bung Hatta, Ulang tahun ke-70*

8 Prof. Slametmuljana, *Politik Bahasa Nasional*, (Jakarta: 1959), p.12

I N D O N E S I A R A J A

W.R. Soepratman (1928)

Con bravura.

Indonesia tanah airku
Tanah tumpah darahku.
Disanalah aku berdiri
Djadi pandu Ibuku.
Indonesia kebangsaanku
Bangsa dan Tanah Airku
Marilah kita berseru
Indonesia bersatu.
Hiduplah tanahku hiduplah neg'riku
Bangsaku Rakyatku semuanya
Bangunlah djiwanja bangunlah badannja
Untuk Indonesia Raja
 Indonesia Raja Merdeka, Merdeka!
 Tanahku Neg'riku jang kutjinta
 Indonesia Raja, Merdeka, Merdeka!
 Hiduplah Indonesia Raja.

Indonesia tanah jang mulia
Tanah kita jang kaya,
Disanalah aku berada,
Untuk s'lama-lamanja,
Indonesia tanah pusaka,
Pusaka kita semuanya,
Marilah kita mendoa:
Indonesia bahagia!
Suburlah tanahnja,
Suburlah djiwanja.
Bangsanja, rakjatnja sem'wanja!
Sadarlah hatinja,
Sadarlah budinja,
Untuk Indonesia Raja.

Indonesia tanah jang sutji,
Tanah kita jang sakti,
Disanalah aku berdiri,
'Ndjaga Ibu sedjati,
Indonesia tanah berseri,
Tanah jang aku sajangi,
Marilah kita berdjandji:
Indonesia abadi!
S'lamatlah rakjatnja
S'lamatlah putranja,
Pulaunja, lautnja Sem'wanja!
Madjulah neg'rinja,
Madjulah pandunja,
Untuk Indonesia Raja.

Indonesia, our native country
Our birthplace
Where we all arise to stand guard
Indonesia our nationality
Over this our Motherland
Our people and our country
Come then, let us all demand
Indonesia united.
Long live our state
Our nation, our people, and all
Arouse then, its spirit
Organise its bodies
To obtain Indonesia the Great

Indonesia, an eminent country
Our wealthy country
There we shall be
Forever
Indonesia, the country of our ancestors
A relic of all of us
Let us pray
For Indonesia's prosperity
May her soil be fertile
And spirited her soul
The nation and all the people
Conscious be her heart
And her mind
For Indonesia the Great

Indonesia a sacred country
Our victorious country
There we stand
Guarding our true Mother
Indonesia a beaming country
A country we love with all our heart
Let's make a vow
That Indonesia be there forever
Blessed be her people
And her sons
Fast be the country's progress
All her islands, and her seas
And the progress of her youth
For Indonesia the Great

Refrain:

INDONESIA the Great, Independent and free
Our beloved country
INDONESIA the Great, Independent and free
Long live Indonesia the Great.

Therefore, October 28, 1928, was an important milestone in the history of the Indonesian people because that day was considered as the birth of the Nation and of Bahasa Indonesia as the national language.⁹

In tracing the further development of Bahasa Indonesia, mention should be made of the role of a monthly magazine called *Poedjangga Baroe* (New Writers). Founded in 1933 by S. Takdir Ali-sjahbana, Armijn Pane and Amir Hamsah, its aim was to convey a new spirit in literature, art and culture, and general social life.

THE MALAY LANGUAGE DURING THE JAPANESE PERIOD

When the Japanese occupied Indonesia in 1942, they found a language which was already adopted by the people as a de facto national language. For political and practical reasons, this language was declared as the official language while the use of the Dutch language was strictly prohibited. In addition, the Japanese policy was also aimed at making Japanese as the second official language. This was proved by the introduction of Japanese as a major subject at all schools. Though the study of Japanese was quite popular, especially among the younger generation, it was evident that it might take a generation to achieve the expected results. This was the reason why the government was obliged to support development of Bahasa Indonesia. Accordingly, Bahasa Indonesia was used:

1. as the official language in the government administration;
2. as the official medium at schools;
3. as the official language by mass media such as radio, film and newspapers.

To meet the needs of education and science all kinds of text-books were composed in Indonesian in a very short time, one to two years, while a number of Dutch text-books were also translated. Moreover the government set up several committees with the task of introducing new vocabulary in various fields. For this purpose new words were incorporated from other regional languages and also from foreign languages, particularly Arabic

⁹ Hardjito, *Risalah Gerakan Pemoeda* (Report on the Youth Movement), (Jakarta: 1952), p.13

and Dutch. Thus, although it was based on the Malay language, Bahasa Indonesia may be called a new language, because it was the result of an assimilation process between Malay and certain other languages.¹⁰

BAHASA INDONESIA SINCE INDEPENDENCE

The Youth Pledge of 1928, which adopted Bahasa Indonesia as the national language, was the first factor that determined the policy pursued regarding the national language. In 1945, after independence, this decision was stipulated in the Constitution of the Republic of Indonesia under article 36, which says that "The State's language shall be Bahasa Indonesia", thereby providing a legal basis for the use of this language as a means of communication all over the country, as well as the official language of the state. Moreover, the Congress of Bahasa Indonesia, held at Medan in 1954, agreed that Bahasa Indonesia had grown and developed using the Malay language as a basis, and that Bahasa Indonesia had been enriched in its growth and development by other languages, particularly by the regional languages existing in Indonesia.¹¹

Despite this, there are still problems which need an urgent solution concerning the policy on Bahasa Indonesia to be followed in the years to come. One of the functions of this policy is to provide a basis and direction for the planning and development of the national language. The most relevant problems are:

1. to determine the function and position of the national language in relation to other languages;
2. to identify the characteristics of standard Bahasa Indonesia;
3. to determine the system of standardization and development of the national language;
4. to plan the system of instruction of the national language in all categories and levels of educational institutions, from the nursery up to the university level.

10 Prof. Slametmuljana, *op. cit.*, p. 34

11 Amran Halim, "Fungsi Politik Bahasa Nasional", in *Politik Bahasa Nasional-I*, published by the Dept. of Education and Culture (Jakarta 1976), p.6

Besides this, the policy regarding the national language has also to provide a basis and direction to the problems relating to problems such as:

1. the writing of scientific books, original as well as translation;
2. the increase in the standard and the number of books made available for public use (libraries);
3. the implementation of government administration, etc.,

With the aim of studying and resolving all those problems, the government has established, under the supervision of the Minister of Education and Culture, a centre called the Pusat Pembinaan dan Pengembangan Bahasa (Centre for the Development and Growth of Indonesian Languages). Some of the achievements made thus far by this centre:

1. the formulation of new words divided into thirty categories relating to various fields of culture, science, technology, etc.)
2. the holding of seminars, the first one in Medan in 1954 and the second one in Jakarta in February 1975, the aim of which was to determine overall policy regarding the national language. The third seminar held in January 1976 in Jogjakarta established the policy regarding the regional languages.

Being aware of the importance of the Malay language as a link among the Malay-speaking countries in South East Asia, Indonesia is keen to promote bilateral relations in this field. One of the first efforts in this context was the export or gifts of Indonesian books made to various libraries in these countries. In addition, fellowships have been awarded to foreign students studying in various fields in Indonesia. A great number of Indonesian teachers have been recruited on a private basis to teach at various schools in Malaysia, Singapore and Australia.

Within the framework of Indonesian-Malaysian relations, an agreement was concluded on August 17, 1972 concerning the spelling of the Bahasa Indonesia, called Ejaan Bahasa Indonesia yang disempurnakan (The perfected Indonesian spelling). Its aim was to adjust the Indonesian spelling with the English spelling prevalent in Malaysia and other former British territories in South East Asia. Some instances are given below:

Old spelling	New Spelling	Meaning
djalan	jalan	road
pajung	payung	umbrella
njonja	nyonya	madame
sjarat	syarat	condition
bertjakap	bercakap	to talk
tarich	tarik	chronology

Although cooperation in the field of language is getting quite close, and despite the fact that the national languages in Indonesia and Malaysia have the same basis, both have undergone a different process of development due to their different historical background. Bahasa Indonesia has adopted many Dutch and Sanskrit words, while Malay has adopted English words. A few instances are:

B. Indonesia	Dutch	Malay	English
sopir	chauffeur	derebar	driver
mesin	machine	enjin	engine
rumah sakit	ziekenhuis	hospital	hospital
polisi	politie	polis	police

Although the development of Bahasa Indonesia has progressed to a more advanced stage, many problems still have to be overcome before it can be called a modern international language. However, a number of countries have acknowledged the significance and the role of this language and consequently have begun introducing it as a subject at higher secondary and university levels. In addition to Indonesia's neighbouring countries, including Australia, Bahasa Indonesia is taught at the school of languages in Tokyo, Peking, New Delhi, New York, New Haven, Moscow, Warsaw, Prague, Berlin, Utrecht, Leiden, Paris, Cairo, and other places.¹²

¹² Prof. Slametmuljana, *op. cit.*, p. 19

PROFESSIONAL PROBLEMS FACED BY SOME INDONESIAN LANGUAGE TEACHERS IN AUSTRALIA

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A study undertaken in winter 1975 amongst some 100 Indonesian language teachers in Victoria has helped to establish the general profile of an Indonesian language teacher.¹ The following are some of the features which emerge from the 62 teachers who responded to the survey. An Indonesian language teacher is a female of 30 years of age or less; she is an Australian born during or soon after the Second World War; she studied Indonesian language and culture in the 1960s and is now imparting the similar skills and knowledge to the second post-war generation of Australians. She is a university graduate holding the minimum qualifications required for registration, namely a first degree plus a professional diploma. She feels, however, that her knowledge and skills are hardly sufficient for an effective performance in the classroom. She works in a government school under a less qualified male senior teacher. For this and other reasons, she is not really contented in her employment. Since she is married without any dependents, she is rather mobile. And with a middle class income and life style, she can afford to attend conferences, in-service training courses, and so on; she can also afford to subscribe to Indonesian magazines and journals to keep her abreast with the developments in her field of work; and she can travel at least to Indonesia before settling down to a long career as an Indonesian language teacher.

1 Financial support from the Commonwealth Education Research and Development Committee which made this possible is gratefully acknowledged.

As a generalisation, the above profile is simplistic and therefore can be misleading. However, it is important that it be kept in mind especially by educational planners, teacher educators, and policy makers in their approach to the question of Indonesian language teaching in this country. Of course the picture is much more complex and it is the task of this paper to clarify the situation and tease out major professional problems faced by some of these Indonesian language teachers. The primary data will be drawn heavily from the Victorian scene due to the lack of similar studies elsewhere. The strategy is to study a certain category of teachers in the sample and to highlight their specific problems. Recommendations for the solution of some of these problems will be implicit in the analysis.

NATIVE SPEAKERS

There are eight native speakers amongst the 62 teachers who responded to the questionnaire. Although a number of native speakers for one reason or another did not participate in the study, it is clear that native speakers form a very small group within the Indonesian language teaching force: only 15% of the sample. The Victorian scene can be taken to be fairly representative of the Australian situation. A study released in 1970 revealed that of the total of 210 qualified Asian language teacher (this includes Indonesian, Japanese, Chinese, and so on), 55 (26%) were born in Asia.² By eliminating those who do not fit into the category of native speakers, the proportion of native speakers of Asian languages in secondary schools can be estimated at 15% to 20% of the whole teaching force. The same study shows, in contrast, that 43% of the 91 academic staff teaching Asian languages at the universities were native speakers.³ A native speaker, therefore, appears to have a much better opportunity of employment in tertiary rather than secondary education.

2 Australia, *The Teaching of Asian Languages and Cultures in Australia* (Canberra: 1970), p. 28. This is popularly known as *The Auchmuty Report*, after the Chairman of the Committee Professor J.J. Auchmuty, and will be referred to as such in this paper.

3 *Ibid.*, p. 43

The qualifications recognition and recruitment policies are responsible here. Some native speakers hold a three years post-secondary BA degree plus a two years post-graduate *Doctorandus* degree, giving them five years tertiary training as teachers; others have in addition one or two years specialised post-secondary diplomas specifically in the field of Indonesian language or educational studies, e.g. B-I, B-II, and PGSLP;⁴ still others are graduates of the six years teachers training schools at the secondary level, enabling them to teach in primary schools. Therefore, anyone with full Indonesian teacher training qualifications could have between nine to 11 years pre-service preparation as a teacher. Yet, with the exception of those who are fully trained in Australia, a native speaker with Indonesian qualifications alone cannot be registered to practise in Victoria and perhaps elsewhere in Australia.

The general rule of registration seems to have a number of dimensions. Firstly, a three year BA degree from an Indonesian tertiary educational institution is considered by various registration boards as equivalent to a two year or even less post-secondary educational qualification in Australia. The holder of such a degree, therefore, cannot be registered as a primary or secondary teacher, in spite of the fact that such a degree may have in-built educational studies. Even if the holder of an Indonesian BA improved his qualifications by adding a teaching diploma from an Australian educational institution, there is no guarantee that he will be registered as a teacher. In Victoria, registration will not be granted at all because the first degree is perceived to be of low quality. Secondly, a combination of a BA and *Doctorandus* from Indonesia is considered to be equivalent to an Australian BA degree; at best to a BA Honours from an Australian university. Therefore, a holder of *Doctorandus* degree (which includes an Indonesian BA) can be registered for teaching only if he gains an additional teaching diploma from an Australian teacher training institution. Some years ago, anyone with the combination of BA and *Doctorandus* from an Indonesian teachers college could obtain registration. Now it is no longer the case, at least in Victoria. He needs to get an ad-

4 L. Kelabora, "Teachers of Bahasa Indonesia and Their Qualifications: A Case Study of Victoria, Australia", *Babel*, vol. 12, no. 3 (October 1976), pp. 19-21

ditional teaching diploma in Australia before he can become a teacher. Finally, an Indonesian trained teacher often holds a variety of non-degree teaching qualifications from secondary and tertiary educational institutions. All these qualifications are not recognised for the purpose of teacher registration in Australia.⁵

The failure to obtain registration has kept many well qualified native speakers away from the government education systems in Australia. The other reason is that most of these highly qualified native speakers are Indonesian citizens. Therefore, they cannot be given permanent employment in the government teaching service or be promoted to senior positions. Thus, a well qualified native speaker will seek appointment in the private schools where his skills and knowledge are utilized to the best possible level. Native speakers also find it easier and less troublesome to penetrate the tertiary educational sector. Recruitment policies at this particular level operate in most cases internationally and the criteria of selection are based more on academic competence than on paper qualifications. Briefly, there are some Indonesian academics in the departments of Indonesian language within the universities who cannot obtain registration as secondary school teachers. Yet they in fact participate actively in teacher education in one form or another; they are also deeply involved in setting up the Indonesian language syllabus, sustaining the standard of Indonesian language in schools, and conducting final secondary school examinations for Indonesian language students. This is a good example of the irony of registration policies and the accreditation of foreign qualifications in Australia.

In an expanding modern language education, native speakers are important. Their presence, even in a modest scale, adds quality to the subject matter and all its associated educative processes. A native speaker is an expensive commodity for modern language teaching. When his services cannot be obtain-

5 The Commonwealth Committee on Overseas Qualifications recognises qualifications obtained in Britain, Canada, Ireland, and U.S.A. Also acceptable to the Committee are certain qualifications from Chile, Denmark, Finland, Norway, France, Italy, The Netherlands, and Yugoslavia. See, Australia, *Teaching in Australia* (Committee on Overseas Qualifications, 1972), pp. 9-15

ed on a personal basis, his voice is purchased often at a very high price. Australian schools are quite fortunate in that they are close to Indonesia. So students of schools which can afford it visit the country and gain first-hand experience of the Indonesian language and cultures in their natural setting. Others which are not so well off economically can benefit from an increasing number of highly educated Indonesians in this country. Yet the recruitment policies are keeping these native speakers away from Australian classrooms and accordingly the quality of Indonesian language teaching is suffering. At least some of its effects can be discerned at most government schools.⁶

There is a far more fundamental reason for employing native speakers. Not one of the non-native speakers included in the 1975 survey had in fact studied in Indonesia or held formal Indonesian qualifications. "In these circumstances, the kind of knowledge being transmitted by most Indonesian language teachers to their students is necessarily secondary or is at least based primarily on secondary sources".⁷ Why is it that non-native speakers have not formally studied in Indonesia? A contributing factor, no doubt, is the fact that Indonesian qualifications are not accredited in Australia so that they are quite irrelevant in educational and employment spheres. H. Feith has also noted a cultural reason.⁸ Australians, with their mostly inherited colonial attitudes, are used to teaching Indonesians and having Indonesians study in Australia in order to contribute to Indonesia's development. But Australians, with the exception of some military personnel, are not in the habit of studying in Indonesia or learning anything from Indonesians. Indeed the educational and intellectual relationship between Australia and Indonesia is a one-way traffic and its impact on the Indonesian language teaching in Australia is quite insignificant.

This is not an argument for open access to the Australian workforce by foreigners. Even if the foreign personnel are already in a country, their entry to the workforce can develop to become a sensitive issue especially during the period of high in-

6 L. Kelabora, "Teachers of Bahasa Indonesia and Their Qualifications", *Op. cit.*, p. 26

7 *Ibid.*, p. 21

8 H. Feith, "An Indonesian View of Australia", *A.I.A. Journal*, (August 1977), p. 22

flation, increasing unemployment, and economic recession. The essence of the argument here is that the recruitment of Indonesian language teachers needs to be rationalised in order to admit a reasonable number of native speakers because their presence is essential to the promotion of the quality of education. It is apparent that the recognition of foreign qualifications is a political issue; it has more to do with the national prestige and pressure group interests. It has very little to do with the quality of work or the productivity of the workforce. Otherwise, those who have had long and successful teaching careers in Asia and Europe will automatically be admitted to the teaching force; and those native speakers who have been teaching Bahasa Indonesia quite successfully in private schools will be allowed to teach the same subject in the government schools. There are other reasons. Because the Indonesian education system and qualifications are not known to many employers in Australia it is natural for the latter to be suspicious. But things are changing. Over the last 20 years or so, the relationship between Australia and Indonesia has expanded and developed to include new areas: trade, education, commerce, industry, defence, foreign aid, and cultural activities. There has also been a significant expansion and diversification of the study of Indonesian society and culture in Australia, at all levels and stages of education, that one can no longer say that Australians are fully ignorant of Indonesia. It is therefore reasonable to argue that the conservatism, suspicion and ignorance of the last 20 years or so should give way to realistic and more enlightened attitudes with respect to Indonesian qualifications in particular. Any strategy for the qualitative development of Bahasa Indonesia in the future will require a complete restructuring of the recruitment system to admit native speakers with their Indonesian qualifications into the teaching force.

This is not to underestimate the differences of content and product of education in Indonesia and Australia. An increasing presence of Indonesian trained native speakers in education will necessitate a deeper understanding of their professional problems. While an Australian trained teacher is prepared to teach Bahasa Indonesia and one other subject to an Australian child, an Indonesian trained teacher can only teach one school subject. Certainly he is a specialist in his subject since, apart

from his professional preparation, he has undergone training in that discipline for many years.⁹ But he cannot teach one other subject and so his appointment to a school often creates problems. It is often the case that not enough students are enrolled in Bahasa Indonesia to justify the appointment of a full-time teacher. For these reasons, a significant proportion of native speakers are employed on part-time basis: in Victoria, the figure is about 50%. Nor can the cultural problems be underestimated. Whether he is trained in Australia or in Indonesia, a native speaker of Bahasa Indonesia still finds an Australian classroom a kind of culture shock. There is a communication problem which is rooted mainly in the fact that the teacher speaks English with an Indonesian accent and students find it hard to follow. The communication problem is compounded by other issues. Traditionally, an Indonesian trained teacher would expect his students to listen to him very carefully, follow his instructions in minute detail, respect his authority and knowledge. The Australian child does not always conform to these expectations. His behavioural pattern is rather unexpected and rough at times; he is rather independent minded and critical in terms of authority and knowledge. He does not always respond willingly to requests and instructions from the teacher. Consequently, teaching becomes a constant struggle to keep discipline so that something can be learnt. In the more traditional classroom of a private school where the rules of behaviour are openly and strongly enforced by the school, a native speaker finds support and protection to operate as a teacher. Finally, the concern for a greater understanding of the Australian child extends to the school organisation, the intricate network of inter-relationships between the school and the community at large, and the structural relationship between the Headmaster and the teachers.

Like some of this Australian counterparts, a native speaker of Bahasa Indonesia may require a continuing inservice training in the teaching method of modern languages to keep him abreast with the latest developments in the field. But this is not the end

9 For details on teacher training in Indonesia, see M. Hutasoit, *Compulsory Education in Indonesia* (Paris: UNESCO, 1954); Anny Be, *Qualifications of Teachers in Indonesia* (A Long Essay for M.Ed., University of Sydney, 1972); L. Kelabora, "The Evolution of Teacher Education in Indonesia", *The South Pacific Journal of Teacher Education*, vol. 3, no. 1, (1975), pp. 33-43

of the story. Most native speakers in the sample would like to attend a very specific kind of inservice training designed to introduce them to the Australian educational setting to enable them to operate effectively. The course should include the structure and the process of Australian education, the division between the private and government schools, the psychology of the Australian child, and perhaps curriculum design. Even teaching practice and visit to schools with different curriculum may be in order. The problem here is that there are too few native speakers to justify the organisation of such a course. Or even if one is held, there is no guarantee that it will be fully patronised.

The implication here is that the native speaker man-power is under-utilized within the education system. It should be possible for two or three schools to share a native speaker. Well organised time-tables between a number of schools will incorporate the skills and knowledge of a native speaker into the critical stages of language courses in order to maximise the results and the quality of education. Private and government schools alike should be able to cooperate in this venture. The fact that a native speaker is fully involved in the teaching process in a private school should provide sufficient justification for his participation in the educative processes in the government sector. This is not the case at the moment. Yet native speakers are expected to examine at the HSC level students of Indonesian language from every school, students whom these teachers are not qualified to teach during the normal school hours. It should also be possible to allow native speakers to participate in the teaching of social studies, arts, crafts, music, history, and politics in order to bring their first hand impressions and knowledge of Indonesian society and cultures into the classroom. These are the kind of skills and knowledge which are so scarce and so expensive to obtain. With a native speaker, these qualities are in fact available and they should be utilized to the best possible way to improve the quality of education.

FEMALE TEACHERS

The data collected in 1975 reveals a heavy feminization of the teaching force. Some 63% of all Indonesian language

teachers in the sample are women. This is a much higher proportion than the national average in 1974 of 57% amongst all teachers in Australia and of 45% amongst secondary ones.¹⁰ This high feminization holds equally across both native and non-native speakers. The figures on the latter are consistent with the available data on French teachers in Australia. Olive Wykes and M.G. King have pointed out that for a long time French is identified as a feminine subject in that it is undertaken by more girls than boys. Consequently, more girls were able to complete the subject at the secondary level, continue their studies at the tertiary institutions, then return to teach the same subject at the secondary schools. The stigma of a feminine subject is therefore self-perpetuating. This is a vicious circle with respect to French, according to Olive Wykes and M.G. King, because it has tended to exclude a great many able male students from the field.¹¹ Unlike French which has been taught for more than 100 years in this country, Bahasa Indonesia was introduced in the Victorian secondary schools less than 20 years ago. So, could it be that the heavy feminisation of the Indonesian language teaching force is a consequence of the same vicious circle as French? This question assumes that many of these young female teachers were students of French who picked up Bahasa Indonesia along the way; after their graduation they decided to teach Bahasa Indonesia, perhaps together with French. Only further research can help to clarify the situation. Or, is it in fact the case that the development of Bahasa Indonesia in the last 20 years is already caught within the same vicious circle? This question can only be adequately answered by a longitudinal study of the Indonesian student population.

What is clear at the present time is that a great many of these young female teachers entered the teaching force in 1970 or soon afterwards. Briefly, the predominance of women in the Indonesian language teaching force is a post-1970 phenomenon. It is more likely that this phenomenon is a direct consequence of the changing profile of the Australian workforce. It has been

10 Schools Commission, "Teachers and Sex Role Socialization" in S. D'Urso and R.A. Smith, (eds), *Changes, Issues and Prospects in Australian Education* (St. Lucia: University of Queensland Press, 1978), pp. 204-205

11 Olive Wykes and M.G. King, *Teaching of Foreign Languages in Australia* (Melbourne: Australian Council for Educational Research, 1968), pp. 72-73

shown that in 1965 some 34% of all women over the age of 15 were either in paid employment or actively seeking work. At the same time, the male participation rate in the workforce was 85%. In 1977, the female participation in the labour force had increased by 9% to 43% of the female population of 15 years and over, while for males it had dropped to 81%.¹²

The great expansion in the proportion of women in the labour force has resulted from married women either staying in work or re-entering the labour force after they have finished raising families. Married women now make up 60% of the female labour force, compared with only 29% a decade ago.¹³

Another study reveals very recently that the proportion of women university students has gradually increased from 23% in 1962 to 35% in 1974. The study concludes that "if present trends continue, female participation rate in tertiary education will soon reach a point of relative dominance in the college sector and substantially reduce, if not eliminate, male dominance in the universities".¹⁴ More girls have tended to move straight from secondary school to tertiary education to study on a full-time, rather than part-time, basis. Consequently, many of the graduate early to enter the workforce. Humanities and social sciences have been the domain of female students for some time. Thus, in practice, more women enter teaching after graduation.

Now, what are the professional implications of this new phenomenon, of the predominance of women teaching Indonesian language? It is now clear that the future of Indonesian as a school subject in Australia rests very strongly on the promotion of the professional interest of this female workforce. This is not an argument for the provision of toilet facilities and office space in each school for the male and female staff. For such facilities have existed in most schools even within the framework where women were strongly discriminated against in terms of salary, promotion, tenure, leave, superannuation, and so on. This paper is trying to raise some fundamental issues pertaining to the

12 L. Vandenberg and P. Snelson, "The Interface Role of an Educational Institution in Manpower Development — Travel and Tourism Industry" (Paper read to Executive Australian Institute of Travel, October 1977), p. 5

13 *Ibid.*

14 D.G. Beswick, "Why More Women Are Entering Higher Education?: The Psychological Conditions for Increased Participation", in S. D'Urso and R.A. Smith, *op. cit.*, p. 233

professional development of the women Indonesian language teaching force.

Most Australian employers, especially the governments, are well known for their ideological commitments to principles of right and justice, the right to equal pay for equal work, the right to enjoy the protection and privileges which exist for everyone else, the right of the individual to gain just rewards for any achievement, and so on; but they are the last to practise many of these virtues. The legislations against discrimination of people at work on the basis of their sex, the case for equal pay for work of equal value, are only some of the fundamental rights which have been observed long ago in newly independent countries, such as Indonesia. They are being phased into the Australian teaching services only very recently. Australia has a long way to go in the treatment of its female workforce. The champions of the women's case in this country have still to argue for and obtain full pay for every woman during maternity leave; for the right of every woman to return to her previous employment after a brief absence to have a child or to raise a family; the right to equal opportunities of promotion to senior positions which seemed to have been reserved for males; the right to superannuation; and so on. These are some of the general issues which demand professional solutions in order to promote an effective workforce with a high morale.

The case for the promotion of the professional interest of the female workforce amongst Indonesian language teachers is stronger than the above argument. The present data show that the majority of under-qualified and/or unqualified Indonesian language teachers in Victoria are male. Out of 18 male teachers who responded to the questionnaire, 10 (56%) have had two years or less training in Bahasa Indonesia. In fact eight (44%) of them have had one year or no training at all. In contrast, only seven (19%) of the 36 female teachers who responded to the same item have had two years training or less in Bahasa Indonesia: and only three (0.08%) have had one year or no training at all. It emerges furthermore that 75% of all female teachers who responded to this item have had at least three years previous training in Bahasa Indonesia as against only 44% of their male counterparts. It can be concluded that the majority of female teachers are well qualified Indonesian language teachers holding

the acceptable minimum qualifications of at least three years tertiary training in this language.¹⁵ In addition, the majority of teachers without any previous training in the teaching methods of modern languages are male. Some 12 (71%) out of 17 teachers who have no previous experience of appropriate teaching techniques are male, and only five (29%) are female.¹⁶ So, the majority of all Indonesian language teachers in Victoria are women and most of these women are well qualified Indonesian language teachers. Yet only three (27%) of the 11 senior positions and a significant total of 32 (74%) of the Assistant positions within the teaching force are held by women. "The overall picture is still that in all promotion positions, except those which are sex specific positions, females are seriously under-represented in relation to their numbers (and, with respect to Indonesian language teachers, their qualifications) in the service".¹⁷

A number of reasons are relevant here. First, it would appear that in spite of a great deal of talk about promotion on the basis of merit many schools are still promoting their teachers to senior positions on the grounds of seniority. The belief that grey hair and old age are the symbols of wisdom does not seem to be the monopoly of the traditional societies of Asia; it prevails in many ways in Australia. Of the 39 female teachers in the sample, 30 (77%) were 35 years or less and of the 23 male teachers, only nine (40%) were 35 years or less. So, age and experience have something to do with the promotion of teachers to senior positions and this policy is working very much against the interest of the well qualified female teachers. The second reason appears to be related to the overall academic qualifications held by a teacher. In all, seven (78%) of the nine post-graduate holders in the teaching force are male and only two (22%) are female.¹⁸ It seems then that better overall academic qualifications, which in many cases includes post-graduate degrees, is positively related to the promotion to senior positions. However, such

15 L. Kelabora, "Teachers of Bahasa Indonesia and Their Qualifications", *op. cit.*, pp. 23-24

16 *Ibid.*, p. 25

17 Schools Commission, "Teachers and Sex Role Socialisation", *op. cit.*, p. 205

18 L. Kelabora, "Teachers of Bahasa Indonesia and Their Qualifications", *op. cit.*, p. 20

qualifications may not be specifically related to Bahasa Indonesia and/or to the teaching method of modern languages. Therefore, any promotion on these grounds may not have a significant qualitative impact on Indonesian language teaching in Australia. Finally, sex is of course relevant in promotion. The Australian Schools Commission reported that in 1973 only 22 out of some 343 principalships of the largest primary schools in New South Wales were held by women; in South Australia two out of 92 headships in this class were occupied by women; other states present a similar picture. At the secondary level, female principals of the large co-educational schools are rare; most of the women principals are found in the single sex schools. Of 337 secondary principals in New South Wales in 1973 only 53 were women; and of the 108 secondary schools in South Australia, only 14 had female heads — all of these schools were single sex establishments.¹⁹

Educational institutions are well known for promoting people to senior positions on non-educational grounds. Such reasons as seniority, sex, and overall academic qualifications are predominant in the considerations for promotion. While these are relevant factors to be taken into account, they should be secondary to such educational variables as professional competence, the capacity to teach the subject matter, and the ability to relate to students. Unfortunately when a good teacher is promoted to a senior position this usually means taking him out of the classroom. The higher the position, the greater the distance between the teacher and the educative process in the school. It is this process which has turned so many good teachers into headmasters with no teaching commitments, educational bureaucrats, and so on; and they are in fact not trained for such positions in the first place.²⁰ Thus, by promoting a good and well qualified teacher out of the classroom and making him an unqualified educational bureaucrat, the quality of education suffers. It may be then reasonable to argue for the *status quo*, namely keeping the majority of the qualified female Indonesian language teachers in the classroom

¹⁹ *Loc. cit.*

²⁰ Cf. R.M. Hutchin, *The University of Utopia* (Chicago and London: The University of Chicago Press, 1965), p. 45

and the senior positions in the hands of their less qualified male counterparts. But any support for the *status quo* is the support for low quality education. In the long run, this may lead to a rapid deterioration of Indonesian language teaching. The essence of the argument is that these young and energetic female teachers should be promoted to senior positions because they are fully qualified Indonesian language teachers, they are good and dedicated teachers, they are organisationally and administratively capable to handle heavy responsibilities, and they constitute the majority of teachers. The Australian Schools Commission recommends stronger action: "In the short run, positive discrimination in favour of women may be necessary in an attempt to establish more women in . . . higher positions".²¹

The 1960s saw the introduction of Indonesian language and culture in secondary schools in Australia. Starting from New South Wales and Victoria, the move gradually gained momentum and accelerated quite rapidly in quantitative terms. The 1970s witnessed the teaching of Indonesian in every state. The expansion has been rapid in terms of schools, students, teachers, teaching materials, and ideas. There are indications, however, that the period of rapid quantitative expansion is coming to an end. We may be approaching a period of consolidation where those who have undertaken these studies on exotic and novel grounds might be replaced by those who are genuinely interested in studying Indonesian language, culture, and people. Whatever the case, it is quite clear that the next decade will be the period of qualitative growth. The qualitative improvement of teachers, teaching materials, courses, and educational ideas must be undertaken in order to preserve Bahasa Indonesia as a permanent feature of the Australian educational landscape. This means in practice that we have to deal effectively with many new professional problems emerging out of a heavily feminized teaching force; we have to promote many of the qualified and competent women to senior positions to improve the quality of education in general and of Indonesian language teaching in particular. This is a crucial point. For the present education system is still too male dominated in outlook, organisation, and

21 Schools Commission, "Teachers and Sex Role Socialization", *op. cit.*, p. 206

procedures despite the increasing domination of the teaching force by women.

RURAL BASED TEACHERS

Of the 62 teachers included in the sample, 38 hold positions in metropolitan schools in Melbourne and 24 in rural based schools. The distinction between the rural and metropolitan based teachers is important with respect to access to facilities in Melbourne, e.g. films, speakers, seminars, language courses, teachers' meetings, libraries, Asian arts exhibitions, or simply access to other schools where Bahasa Indonesia is taught. The distinction is particularly important with respect to the availability of in-service training courses. At the present time, no specific in-service training course for Indonesian language teachers in rural areas has been organised. All in-service training courses so far have been based in Melbourne; to a rural based teacher, attending an in-service training course means going to and from Melbourne. The rest of this paper examines these points more closely.

The attitudes to working conditions appear to demarcate the rural based teachers from their metropolitan counterparts. Some 31 (84%) of the 37 metropolitan teachers were satisfied with their working conditions as against only 12 (55%) of the 22 teachers in rural areas. The rest were either dissatisfied or undecided on this item. It is not easy to explain the dissatisfaction by a large number of teachers in non-metropolitan schools towards their working conditions. Data collected from interviews seem to point to some of the sources: the feeling of isolation in a rural environment, lack of contact with others who are actively involved in the promotion of Bahasa Indonesia, and the absence of fresh and consistent intellectual stimulation in terms of think Indonesian, and so on. The rest of this paper examines some of these courses of dissatisfaction.

Let us look at the attitudes towards class sizes. Some 29 (78%) of the 37 metropolitan teachers who responded to this item were satisfied with with class sizes as against 14 (58%) of the 24 teachers in rural areas. At the same time, only a small number of teachers were undecided on this item. The dissatisfaction of a large number of teachers in the non-metropolitan schools may not be specifically

connected to the actual number of students in a classroom, although it has to be admitted that more data on class sizes in different parts of Victoria are required. The root of this dissatisfaction could be a lack of resources to cater for an increasing number of students wanting to study Bahasa Indonesia in rural schools. Since Bahasa Indonesia is an optional subject in most schools, students of this language often come from different classes in the school. They are usually grouped together as a class only for the purposes of teaching them Bahasa Indonesia. With more teachers and equipment, the task can be done easily. This is not always the case, however. Teachers in country schools who were interviewed for this study pointed out a serious lack of resources to assist them in their jobs.

This leads to the next point, the supply of books and reading materials. An adequate supply of books is crucial for the teaching of a modern language, especially in a situation where the native speakers are scarce. Included in this category are textbooks, reference materials, readers, and so on. The rapid expansion of the teaching of Bahasa Indonesia in terms of student enrolment, teachers supply, and the number of schools providing this subject, is far ahead of the growth in the number of required books. True, there has been a quantitative expansion of books and reading materials in recent years to cope with the numbers. But the quality of these books leave much to be desired. In some cases, books are designed for an Indonesian primary school child who learns Indonesian as his first language, but they are being used to teach an Australian secondary school student who is studying Indonesian as a foreign language. Some books are simply too difficult because the materials are not structured for use in an Australian school; they have been prepared with no real understanding of the temperament and the intellectual characteristics of an Australian child. Other books are written by native speakers for tertiary education students; but for obvious reasons they are being employed at the primary and secondary level with disastrous consequences. One only needs to look at an enriched French and/or German classroom to realise the paucity of resources available to an Indonesian language teacher. The provision of books and reading materials is rather complex and requires separate treatment. The present study is concerned simply to establish teachers attitudes towards the existing supply of books to teach Bahasa Indonesia.

Predictably, the data show a high degree of dissatisfaction especially amongst teachers in rural areas. Of the 24 teachers in rural schools, only eight (33%) were satisfied with the supply of books to teach Bahasa Indonesia in their schools. This contrasts very badly with the corresponding figure of 62% amongst their metropolitan counterparts. Furthermore, only six (16%) of teachers in the metropolitan schools and a significant total of 46% of teachers in rural schools were dissatisfied with the supply of books. The rest were undecided on this item. It emerged, then, that rural schools are seen to be badly equipped in terms of books and reading materials to teach Bahasa Indonesia; teachers seem to think that metropolitan schools are better off in this case. It should be stressed that most of the metropolitan schools providing Bahasa Indonesia are private schools whereas the converse is true in the country. In other words, this dissatisfaction is in many ways a reflection of the situation in the government schools rather than the private sector.

An adequate supply of books, readers, and reference materials alone may not be sufficient to meet the needs of a modern language classroom today. The technological revolution in the field of modern language teaching has changed the face of the modern language classroom since the Second World War. The language laboratories in particular have helped to shift the teaching of modern languages from grammar translation method which has prevailed in the Western World for over 1000 years to an audio-lingual approach. The voice of the native speaker can now be brought into the classroom to help students to capture the language in its original form. Flexibility in design has helped to reduce the price of these laboratories to the extent that an increasing number of schools can now purchase their own sets. Other forms of electronic teaching equipment have also been developed to assist the modern language teacher. Tape-recorders, video-tapes, film strips, films, projectors, colour slides, and overhead projectors are all becoming the permanent features of a modern language classroom. In addition, teacher training institutions have been very much part of this revolution. They have helped in many ways in the design, development, and the integration of this equipment in the language learning process. Modern language teachers who were trained during the last 10 years or so, in Australia, are very much aware of this teaching equipment and are in fact trained to use much of it.

The study sought to ascertain teachers attitudes towards the supply of equipment and the following picture emerged. Only seven (29%) of the 24 rural based teachers who responded to this item were satisfied with the supply of equipment. The corresponding figure for the 37 metropolitan teachers was more than double: about 62% of them were satisfied with their teaching equipment. The rest were either dissatisfied with the supply of equipment or undecided on this item. The availability of equipment is one point. Its effective use for Indonesian language teaching is quite another. It will take an energetic and enterprising teacher to employ electronic teaching equipment to teach a lesson since much planning and organisation is involved. The questions whether any equipment is used at all to teach an Indonesian lesson and its effects on the language acquisition are different questions which should be answered on another plane. This study is trying to answer the primary question relating to the availability. Unless a particular piece of equipment is available at a particular place and time the question of its usage does not emerge at all.

Against the background of wide dissatisfaction about working conditions, class sizes, the supply of books and teaching equipment, teachers in rural areas were asked to indicate their desire for in-service training. Some 96% of all rural based teachers would like to attend in-service training. The details of the demand for in-service training, the format and the content of courses required by all teachers of Bahasa Indonesia in Australia have been discussed in detail elsewhere and should not be restated here.²² The only point which needs to be made is that since there is a wide and deep dissatisfaction amongst teachers in the countryside, their demand for in-service training could mean the desire to get away from the rural environment even just for a few days. It could also mean a serious cultural dislocation of a great many teachers. In this kind of situation, morale is low. There is feeling that a country teacher is being neglected in the overall distribution of resources and services; yet he/she is expected to do a good job just like everyone else. Finally, the high demand for in-service training amongst the country teachers may also indicate the sense of inadequacy in terms

22 L. Kelabora, "The In-Service Training Needs of the Indonesian Language Teachers in Victoria, Australia", in R.J.C. Francis, (ed.), *Unity and Diversity in Education* (Armidale: Papers presented at the Fourth Annual Conference of the Australian Comparative and International Education Society, October 1976), pp. 187-202

of skills, knowledge, and resources and that they genuinely need professional assistance to perform their job effectively.

There are a number of reasons why serious attempts should be made to alleviate problems amongst teachers in rural areas. Olive Wykes and M.G. King have pointed out in their study that, unlike the situation in New South Wales, a Victorian child has just as much an opportunity to study a modern language in the country as in Melbourne.²³ Since this contention seems to be equally valid with respect to Bahasa Indonesia, a case exists for a just distribution of resources, knowledge, and skills in the metropolitan and the country based schools. The other reason is related to the retention rate in rural schools. During the initial development of Bahasa Indonesia, the teacher is crucial. Many schools will introduce this subject only if there is a qualified teacher to teach it; and when the teacher goes for one reason or another, the subject is phased out of the curriculum.²⁴ This is still very much the case in rural areas. Faced with a low morale amongst the teachers and the lack of resources, some schools have been phasing out Indonesian or have left the field altogether in spite of the fact that student demand may still prevail. When a school decides for one reason or another to abandon the study of Bahasa Indonesia, or any subject for that matter, the decision is quite irreversible. A decision such as this can only be reversed when the circumstances in the school completely change; this does not usually happen, however. The drop-out rate in terms of students, teachers, and schools providing Bahasa Indonesia in rural areas appears to be accelerating. This process must be arrested if this subject is to be retained within the education system. This means in practice that special attention should be paid to the plight of the rural based teachers.

A stronger argument can be advanced here. If the teaching of Bahasa Indonesia is to be expanded at all in the next decade, then the only areas to be exploited are the rural schools. For it can be said in general terms that most government and the non-Catholic private schools in metropolitan areas have been providing Bahasa Indonesia or have phased it out for one reason or another. Others are very much aware of the issues involved in teaching Bahasa Indonesia and have decided against its introduction.

23 Olive Wykes and M.G. King, *op. cit.*, p. 47

24 *The Auchmuty Report, op. cit.*, pp. 31, 46

CONCLUSIONS AND RECOMMENDATIONS

The case for this paper rests heavily on what is known as the quality argument. The main thrust of the argument is that the period of rapid quantitative expansion of the teaching of Bahasa Indonesia and Indonesian culture in schools seems to be over. We are now at the threshold of consolidation and even some decline of student enrolment, teachers supply, and schools providing this subject. Therefore, the strategy for the next decade must be qualitative in nature. It must be aimed at sustaining the quality of the teaching force, the course offerings, the teaching materials, and the teaching equipment. This is the only strategy which will arrest the drop out rate, consolidate the situation, and help to make Bahasa Indonesia a permanent feature of the Australian educational scene.

The quality strategy makes sense at the present time for a number of reasons. Firstly, there is the background of increasing unemployment in the community which includes for the first time so many teachers. It has been predicted in some quarters that if the present demographic trends and the patterns of teacher output continue, there will be up to 40,000 unemployed teachers by the mid-1980s.²⁵ Secondly, there is the background of high inflation, declining economic productivity, and restrictions of funds available for education. In this kind of situation, it would be extremely unwise to expend the scarce resources exclusively and mainly for the pre-service training of teachers. For pre-service training with all its problems cannot even ensure employment for its graduates. The wastage will be high since the graduates will be either unemployed or misemployed in the economy. The sound strategy is one which stresses the in service training of teachers, which aims at expanding the existing resources to improve and sustain the quality of those who are already committed to teaching as a profession. Briefly, funds and resources currently available for in-service training of teachers should be increased significantly in the next decade to make an impact on the quality of education.

25 Australia, *The Supply of and Demand for Teachers in Australian Primary and Secondary Schools, 1978-1985* (Canberra: Australian Government Publishing Service, 1978), pp. 51, 53, 82, and 83

This paper singles out three areas where specific qualitative improvements can be made. Firstly, the solution of some of the problems faced by native speakers of Bahasa Indonesia will improve the Indonesian language teaching generally. Native speakers with their background and expertise should be fully utilized in teaching, preparation of teaching materials, conducting examinations, extending students' experiences in arts, crafts, and music as well as leading excursions to Indonesia. Their smooth inclusion into the state education systems will extend those benefits to every Australian child studying Bahasa Indonesia.

But whatever is done in Australia by the Australian authorities with respect to the native speakers of Bahasa Indonesia will represent only one side of the story. Much more should be done by the Indonesian government in this respect. After all, the promotion of Bahasa Indonesia is a basic pillar of the Australian-Indonesian relations. A modest beginning could be the appointment of a specialist on Indonesian language and literature to extend and multiply the existing services by the native speakers of Bahasa Indonesia in Australia. Such a specialist could be based at the Indonesian Embassy in Canberra; he can also be based in Sydney and/or Melbourne where the greater proportion of Australians actually study Indonesian language and cultures. The point is that he needs to be around to assist, increase, and maintain the quality of Indonesian language and literature in schools. Later on, it may be necessary to examine the establishment of an Indonesian Cultural Institute similar to those of French, German, and Italian to help the practitioners in the field. The basic notion of an Indonesian Cultural Institute in Australia is gaining a wider acceptance as the teaching of Indonesian language and culture in Australia develops in quantitative and qualitative terms.²⁶ The problem of qualifications can also be overcome at the inter-government level. Within the framework of the present Cultural Agreement between Australia and Indonesia,²⁷ negotiations should be undertaken with

26 In February 1972, the Australian Indonesian Association of Victoria formally proposed the creation of an Indonesian Cultural Institute to President Suharto of Indonesia; the Institute was to be based in Melbourne. See, *AIA Newsletter*, Vol. 12, No. 5 (February 1973), p. 3

27 The text of the agreement which was signed in July 1968 was published in *Indonesian Newsletter*, No. 68/24 (Canberra: July 1968). For further comments, see J.A.C. Mackie, "The Cultural Agreement — Prospects and Issues", *Quadrant (Indonesia: Special Issue)*, (September/October, 1969), pp. 117-127

a view to bringing about a mutual recognition of academic qualifications. Employers, unions, governments, and educational institutions in Australia and Indonesia should participate. At the present time, many Australian formal qualifications are recognised in Indonesia.²⁸ But, as has been shown in this paper, not one Indonesian qualification is accredited in Australia. The solution of the problems in this field will diversify the native speakers participation in the Indonesian language teaching in Australia. It will also enable Australians to gain formal qualifications in Indonesia in order to improve their classroom performance.

The second group to be singled out for study in this paper is the women teachers. The fact that the majority of Indonesian language teachers consists of well qualified women needs to be faced with a great deal of realism. This is because it is a post-1970 phenomenon which has emerged against the background of a male oriented education system. Some fundamental re-structuring of the traditional attitudes will have to take place as the present generation of female teachers move up the promotion ladder to influence the content and structure of education. A stronger argument was in fact advanced in this paper. Since there is a serious imbalance between the number of well qualified female teachers and the proportion of senior positions they hold in the service, this should be rectified as soon as possible to have an impact in the next decade. If undertaken, such a policy will have a multiplier effect on the quality of courses, the development of new educational ideas, and the improvement of the learning process in the classroom.

The third group to demand attention in the future are the rural based teachers. In spite of the recent efforts to decentralise educational administration, the distribution of resources and services in Victoria and elsewhere the country schools are still badly off, at least from the teachers' viewpoint. One of the important improvements in the next decade should be to facilitate a greater and better communication of ideas, resources, and services between the rural teachers and the wider intellectual and educational world. To increase the facilities and services in rural schools to the same level as those in the cities will represent a tremendous qualitative impro-

28 See, Indonesia, *Perguruan Tinggi di Indonesia* (Jakarta: Departemen Perguruan Tinggi dan Ilmu Pengetahuan, 1965), pp. 264-265

vement. Even on a modest scale, this improvement will be crucial to the long term survival of Bahasa Indonesia as a school subject in Australia.

JUVENILE DELINQUENCY: SPECIAL CRIMINAL PROCESSES A PRETRIAL PERSPECTIVE

J.E. SAHETAPY

"The law like the traveller, must be ready for the morrow. It must have a principle of growth."

Mr. Justice Cardozo

First of all, before I proceed in presenting an analysis related to a pretrial perspective, I would like to emphasize that this article does not have any pretention. It should be considered mainly as a provoking thought, or at least as a critical assesment towards the present administration of criminal justice concerning juvenile delinquency.

If, on the other hand, it does not suit in the present processes of the criminal law, either in other Asian countries or Indonesia, then we should not be reluctant to reconsider our present criminal procedure. Roscoe Pound accurately pointed out that nowhere in the legal order is rethinking of fundamental problems more needed than in our criminal law.

Juvenile delinquency is not a problem of today only. Nevertheless there are very few law scholars in Indonesia who specialize in juvenile delinquency. Most of them usually focus their interest on the importance of a juvenile court which does not yet exist, not on a juvenile law and never at all on a pretrial perspective.

What is the reason why a pretrial perspective is not of interest. A correct answer can not be furnished. I can only make an intellectual guess that we are too accustomed to the present

system of criminal justice and therefore have never dreamed of presenting new ideas or are too timid to present them.

It is my opinion that the main and essential aspect of juvenile delinquency problems related to special criminal processes is not the juvenile court itself but the pretrial processes.

Generally speaking crime is usually handled in the first instance by the police, although occasionally the public prosecutor in Indonesia takes over the police's job. After investigating the case, the police continue the case to the public prosecutor. The public prosecutor, so to speak, gives the case its juridical basis before presenting it to the court.

This is the standing procedure in a nutshell, which is usually applied to juvenile delinquency cases. If there are differences, then it can be said that juvenile delinquency cases are mostly handled by women police, women prosecutors and women judges.

In 1958 the police established a delinquency section. This section or bureau and its makeup has since been growing and reorganized. In certain places they have their own detention centres for juvenile delinquents.

Nevertheless, it seems to me that the whole setup looks unsatisfactory. The police make their own classification according to age: for children the age limit is 16; for youth the age level is between 16 and 18, and persons above 18 are classified as adult. However, to avoid legal difficulties, the police usually refer to article 45 of the Penal Code which sets the age level at 16.

Besides the difficulties and differences in terms of legal criteria, which will be explained later, not much attention has been paid to the social status and the social reality of the juvenile delinquent. To overcome this obstacle the Justice Department created an institution called BISPA in 1968.

BISPA is an acronym in Indonesia for "social guidance and child rehabilitation". Its main tasks are among others: 1. to render guidance, help, control or direct the child who has been on probation, paroled or has carried out his punishment, in his every day life in order to be integrated harmoniously in the

society; 2. provide working skills and social guidance for those who can not be classified as juvenile and who had to be put in a working institution because they are beggars, lazy, and can therefore cause social disorder.

This whole set up looks fine on paper, but it does not give me the impression that everything goes well. There are still many shortcomings. The BISPA, for instance, does not have the experts it needs. Whereas a temporarily good job at least has been done by the police in the present stage, the public prosecutor lagged far behind.

Seminars related to juvenile delinquency have been organized, but they still remain in the stage of discussion. The means, funds and forces are also the main handicap. Franco Ferracuti was right when he remarked that economic planning by the government without any social preventive planning is, at best, hazardous, and at worst, imprudent. And while everybody is of course concerned with juvenile delinquency, without any concrete and positive action by the government, many juveniles will surely tend their own life and lead their own way.

Since juvenile law and juvenile courts have not been created yet, we have to do our best to create such law and courts as soon as possible.

A juvenile court shall adjudicate juvenile crime and juvenile delinquency cases. By juvenile crime I mean, acts prohibited by the penal code or criminal statutes and committed by those between the ages of 13 and 18. Juvenile delinquency refers to behaviors outside the scope and boundaries of any criminal law committed by those between the age of 6 and 12.

Besides a juvenile court, I believe that a pretrial session is still important especially for juveniles between 6 and 12. The relevance of a pretrial session is to protect the juveniles from exposure to the court and the public as well, which can impress on him a stigma that can last forever.

On the other hand, a pretrial perspective can open new horizons in constructing the social reality of the juvenile, his family and the society itself. Therefore a pretrial perspective is in itself a concern with the impact of legal institution on the juvenile delinquent social reality. We must realize that juvenile

delinquency or crime is also a process closely related to interaction of rule-making, rule-enforcing and rule-breaking.

The pretrial session should be conducted in a very informal atmosphere where several participants should be included: the juvenile himself, his parents or guardians, BISPA officials which should consist of a psychologist, psychiatrist or a social worker and the police.

At the pretrial session the public prosecutor should not be involved. If the session later in its deliberation decides that the public prosecutor should be included, then the parents or the guardians of the juvenile delinquent have the right to ask for a defense counsel. This does not mean that the case should be brought to the juvenile court.

I propose that juvenile delinquents should not be brought to the court except in very extreme cases. Perhaps this can be worked out in the juvenile law (procedure).

A pretrial session should give room for BISPA officials and their experts to handle the juvenile delinquent during a certain period of time. If, after that period BISPA officials conclude that there is not any progress, a pretrial session should be called again. At that time, the defense counsel and the public prosecutor should take part.

In this paper I am not intending to outline in detail the whole setup of the pretrial session and how the BISPA officials should act in concrete situation. The important issues to be considered are: what is the status of the juvenile delinquent? If he is still in school, how should the offense be dealt with without creating too much fuss? If he is a drop out, should there be a different approach and how? If he is a recidivist, what kind of approach is the most suitable? From what social stratum does the juvenile offender come from and how is his family life? In short: the social reality of the juvenile delinquent.

Preventive detention should be considered only in very extreme cases. It is unwise to have the detention centre located at the police headquarters. We should avoid the impression that he is being detained.

My purpose is only to propose that juvenile delinquency cases should not be adjudicated directly by a juvenile court. This is not something peculiar.

In the villages or in the rural areas conflicts and to a certain extent even some criminal cases which are not so serious, are usually settled outside the court. The village chief acts as a prosecutor and simultaneously as a judge, a judge of peace.

How is the situation in towns or cities? People have experienced that solving their mutual problems outside the court is much cheaper, saving their time and energy, but the most important: they are not losing their face.

So why should one be surprised if a pretrial process could also be created for juvenile cases, especially within the Indonesian community where controlling spirit still exists and plays a dominant role.

The term juvenile delinquency is something of a stranger for the Indonesian law dictionary to translate. The present criminal law does not make a distinction between juvenile crime and juvenile delinquency, except for the classification of crimes into felonies and misdemeanours.

As I have indicated, the police have their own translation and criteria for juvenile delinquency, but worst of all, we have not yet a juvenile court in its real sense nor a law for juvenile delinquency.

Does this mean that we did not have problems in juvenile delinquency in the past? Definitely not. The problems existed but not in the scope and proportion as today. They have been growing and become menacing too. Not only that; people sometimes got confused because what is considered as juvenile delinquency by the government is not wholly being valued as such by the people.

Let me give you an example. There was quite a commotion and confusion in 1971 when boys let their hair grow like girls. Law enforcement officials began taking actions. They picked up boys with long hair and tight trousers and cut their hair and trousers sometimes publicly. Even girls who wore tight trousers were not spared.

Finally on November 6, 1971, the Chief of the Indonesian Police Force issued an order which prohibited any actions against the boys who had long hair and tight trousers, because there was not any law which barred growing long hair for boys and wearing tight trousers for both sexes.

Since the term juvenile delinquency is not so easy to be translated in Indonesian, the values related to juvenile delinquency sometimes get mixed up.

On the other hand the present law related to legal age is ambiguous.

Article 45 of the colonial Dutch Penal Code, which is now a temporary Indonesian Penal Code, refers to "mens rea" if a youngster is above the age of 16. This article definitely plays a crucial role in determining whether a juvenile will be brought to a criminal court or not. It also directs the judge in fixing the punishment: 1. return the juvenile who is guilty to his parents or guardians without any punishment whatsoever; 2. order the guilty juvenile to be delivered to the government who consequently will put him in a juvenile institution (a pro juventute or a corrective training institution); 3. or punish him.

In this last instance, he will be sent to a juvenile "special prison", something like a Borstal institution, of which there are only two in Indonesia.

If article 45 of the Penal Code refers to a maximum age level of 16, article 283 section 1 of the same Penal Code refers to a youngster beneath the age of 17 concerning pornography and means for prevention pregnancy or inducing abortion.

While two different legal age levels have been set by the Penal Code, the Civil Code has its own criterium.

Article 330 of the Dutch colonial Civil Code which is still being applied in Indonesia, considers a youngster being an adult person if he has reached the age of 21 or has been married before such age. If his marriage was dissolved prior to his age of 21, he shall still be considered as an adult. Act 1931 number 45 which is an integral part of the Civil Code stipulates that an Indonesian youngster of native origin shall be considered as an adult person if he has reached the age of 21 or has been

married before that age. Dissolving of his marriage can not change his adult status although he has not reached the age of 21.

Has these confusions about legal age levels been cleared away? Not at all.

When Indonesia became independent, it surprised me that the government did not promote uniformity about the age level of a youngster to be considered as an adult.

Article 7 section 1 of the Marriage Act (1974) stipulates that a male can marry if he reaches the age of 19 and a female if she is already 16 years old.

Article 9 of the Election Act (1969) says that a person has the right to participate in the election if he has reached the age of 17 or has married before.

To say in a nutshell: the many legal criteria which are still being enforced in determining the age of a person to be considered an adult, do not show any clearance. In fact they are very inconsistent and can be nefarious in a legal battle.

Indonesia is quite far involved in the modernization process and is heading full course to a segmental society. Its social values, its cultural structures and its mores will be tested severely. Whether it will bow in the future remains to be seen.

With the tremendous population growth in Java, the shortage of education opportunities and facilities, the increasing gap between the rich and the poor, in view, we will have an extremely fertile seed bed for juvenile delinquency and crime.

I hope enough reasons have been brought up to justify my opinion related to a pretrial perspective in a modern world. For although we live in a modern world, it does not mean that we should discard all the old, such as primitive structures and values. Indeed, sometimes in the old values and structures the modern man can find his tranquility and satisfaction.

Every generation has its own problems and tends to solve them in its own way. But human beings have not changed much. So the best way is to look back into yesterday by using present day's means to achieve great ends for tomorrow.

ON THE CONCEPT OF SOCIAL ENGINEERING BY LAW AND ITS APPLICATION IN INDONESIA

Satjipto RAHARDJO

INTRODUCTION

The concept of the use of law as a tool of social engineering, or the instrumental concept of law, though not always explicitly stated, seems to be receiving more and more attention in Indonesia today.

Discussions concerning this particular conception of law have taken place not only in the field of scientific inquiry, but also in public policy statements. To give one example, policy statements of this kind can be found in the second Indonesian Five Year Plan (PELITA), which in the field of law read as follows: "The development in the field of law should be able to direct and accomodate the legal needs in conformity with the legal consciousness of the people which is developing toward modernity Legal order and security form an instrument which should be directed toward nation building and altogether to function as a means to support modernization . . ." (Pola Umum Pelita II, Bab IV)

If we observe the normative system as the societal device by which consciousness is manifested in action, then there is substantial reason to argue that the modern legal system is essentially based on the concept of social engineering.

Compared with traditional law, modern law is characterized by society's use of the law purposefully. In traditional societies, patterns of conduct are defined and maintained by primary social groups. The prescriptions of this society are shaped from history and custom. *Von Savigny*, the most articulate advocate of the Historical School, has put it strongly in the then well-known phrase,

"Law is not made, it exists and grows together with the people." Modern law, by contrast, is conscious and rational. It is a societal device which has been consciously constructed.¹ Lon L. Fuller has put it clearly in the following words. "I have insisted that law be viewed as a purposeful enterprise, dependent for its success on the energy, insight, intelligence, and conscientiousness of those who conduct it, and fated, because of this independence, to fall always somewhat short of a full attainment of its goals . . ."² Since the normative system is the link between consciousness and social action, society or the state has the power to make conscious manipulation of the normative system and to control social processes to achieve the ideal of the good society.³

Although the use of law as an instrument to shape the society is imbedded in the idea of modern law, so that we may call it the natural trait of modern law, the express study of it only began with the systematic exposition made by *Roscoe Pound* in the first decades of this century.

If we try to apply this instrumental concept of law in Indonesia, we must always keep in mind the difference between the common law system held by the Anglo-American countries, and the civil law system as it is applied in the Continental countries and Indonesia. Unlike the development of the concept of social engineering in the U.S.A., which has been initiated predominantly by the judicial power, the utilization of the concept in Indonesia has mainly been done through the legislature.

This paper will try to cover in brief the issues included in the discussion of social engineering, extending from theoretical questionings through the practice in Indonesia.

THEORETICAL DISCUSSION

As was mentioned above, social engineering by law as an express and systematic study began with the exposition made by

1 Readers who want to know more about this subject are kindly requested to read *David M. Trubek*, "Toward a Social Theory of Law: An Essay on the Study of Law and Development", in *The Yale Law Journal*, Vol. 82 : 1, 1972.

2 Fuller, Lon. L., *The Morality of Law*, N. Haven: Yale University Press, 4th Printing, 1971, p. 145

3 See further, *Chambliss/Seidman, Law, Order, and Power*, 1971, esp. Ch. 2.

Roscoe Pound, the founder of the Sociological Jurisprudence. It will be useful for us first to get acquainted with the basic outlook of this school which forms the theoretical foundation of the concept of social engineering by law.

In one of his known articles on the subject of sociological jurisprudence⁴, Pound was concerned with developing the outlook for the sociological jurists, which he broke down into the activities of law making, interpretation and application of legal rules. To specify the position a sociological jurist has to take, Pound insisted upon the six following points:

1. The study of the actual social effects of legal institutions and legal doctrines.
2. The sociological study in connection with the legal study in preparation for legislation . . . Comparative legislation has been taken to be the best foundation for wise law-making. But it is not enough to compare the laws themselves. It is more important to study their social operation and the effects which they produce, if any, are then put into action.
3. The study of the means of making legal rules effective . . . It seems to have been assumed that, when made, law will enforce itself . . . Serious scientific study of how to make our huge annual output of legislation and judicial interpretation effective is imperative.
4. A means toward the end last considered is legal history; that is, the study is not merely of how doctrines have evolved and developed, and considered solely as jural materials, but of what social effects the doctrines of the law have produced in the past and how they have produced them. Accordingly Kantorowicz calls for a legal history which shall not deal with rules and doctrines apart from the economic and social history of their time, as if the causes of change in the law were always to be found in the legal phenomena of the past; legal history shall not try to show by systematic deduction, as if it were a system without hiatus and without antinomies. Instead, it is to show us how the law of the past grow out of social, economic, and psychological conditions, how it accorded with or accommodated itself to them, and how far we can proceed upon

⁴ Pound, Roscoe, "Scope and Purpose of Sociological Jurisprudence", *Harvard Law Review*, Vol. 24, June 1911, No. 8 and Vol. 25, December 1911, No. 2

that law as a basis, or in disregard of it, with well-grounded expectations of producing the result desired.

5. The importance of reasonable and just solutions of individual causes, is too often sacrificed in the immediate past in the attempt to bring about an impossible degree of certainty . . . In general the sociological jurists stand for what has been called equitable application of law; that is, they conceive legal rule as a general guide to the judge, leading him toward the just result, but insist that within wide limits he should be free to deal with the individual case, so as to meet the demands of justice between the parties and accord with the general reason of ordinary men.
6. Finally, the end, toward which the foregoing points are but some of the means, is to make more effective efforts to achieve the purposes of law.

Based upon the points summed above, it will be appropriate to say that developing the concept of social engineering is part of developing a definite point of view in handling legal problems. To make this point of view more specific in comparison with the other schools, Pound has made the following remarks.⁵

1. They look more to the working of the law than to its abstract content.
2. They regard law as a social institution which may be improved by intelligent human effort, and hold it their duty to discover the best means of furthering and directing such effort.
3. They lay stress upon the social purposes which law subserves, rather than on sanction, alone.
4. They urge that legal precepts are to be regarded more as guides to results which are socially just, and less as inflexible molds.

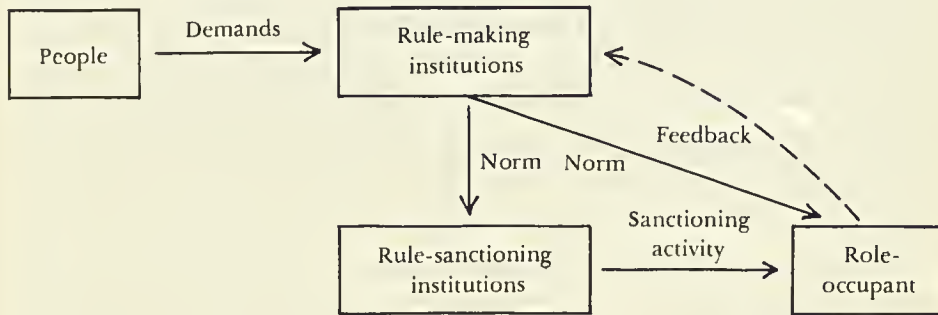
We may rightly regard Pound as the founding father of the Sociological Jurisprudence, which laid down the principles for conceiving law more as a social institution. The very achievement of this school in connection with the use of law as a tool of social engineering, is caused by the fact that it encourages the improvement of law through human effort and always tries to find the best

5 *Ibid.* page 156.

means to enhance the effectivity of law. Again and again we find that Pound laid stress upon this question of effectiveness.

If we proceed further, the question may shift from philosophical examinations toward more technical ones. Then the use of law as a tool of social engineering may raise such questions as: (1) Is it really possible to use law as an instrument for policy implementation? (2) How far can we rely on law to achieve the goals we want to obtain? (3) What are the requirements for the effective use of law? (4) How do we measure the effectiveness of law?

As the concept of social engineering is moving farther from the study of the abstract content of law and closer to the actual working of it, in order to deduce to the effective use of the normative system, we have to take into account the functioning of the institutions herein involved. The following diagram depicts the flow of the activity of engineering and the functioning of the institutions involved.



The use of law as a tool of social engineering implies the use of rules articulated by the rule-making institutions to affect the behavior of the role-occupant or, for more specific goals, to induce changes of behavior.

The conducting of law as a tool of social engineering thus depends on the functioning of several agencies. The common factors which uphold the success of utilizing the law as this kind of instrument are the activity of the law-makers and that of the law-sanctioning officials. The role-performance of these officials becomes the key in any attempt to generate effective change in society through the use of law. As the above diagram demonstrates, social engineering by law is a process of directing human behavior which is itself always changing. The use of the

feedback-system is the first step which points to that process. In order to obtain the desired goals, adjustments should always be made as to enhance the effective functioning of the agencies.

Rule-making as a factor in social engineering depends on different steps of activity, which are close to the method used in scientific problem solving. *A. Podgorecki* has developed four basic principles for social engineering, which are as follows.⁶

1. A good description of the situation.
2. Making an analysis of the value judgments and putting them in a hierarchical structure. The analysis involves the assessment of whether the means used here will generate effects that will be more harmful to the situation.
3. The verification of hypotheses, such as whether a means which come into consideration will really carry us to the desired goal.
4. The measuring of the effect of the existing rules.⁷

Referring the subject to the development of a model of law and development, *Robert B. Seidman* emphasizes the importance of making a conscious choice of the social problems the lawmaker will seek to relieve, and the alternatives available.⁸ The function of a model of law and development is to help the lawmaker by way of articulating the criteria for choice, and to expose them to reasoning deliberation and the test of use.

These criteria of choice should be able to assist the lawmaker in giving him guidance of two kinds. In the first place, since every rule of law that is really meant to be obeyed is designed to induce certain kinds of behavior, the prediction of consequences becomes a necessity. The model must direct the lawmaker's attention to the various categories of data that he must consider in order to predict

6 Schuyt, Mr. Drs. C.J.M., *Rechts Sociologie*, Rotterdam: Universitaire Pers, 1971, p. 54

7 Compare these steps to the process of social inquiry conceptualized by *Dewey*: (1) The existence of a troubled state of affairs; (2) its recognition by the policy maker; (3) the determination of the problem that underlies the troubled situation, by the formulation and warranting of a theory explaining it; (4) the development of ideas or suggestions for the solution of the problem; (5) a reasoning process in which these ideas are compared and examined in the light of the existing knowledge on the subject; (6) the examination of the probable consequences of the proposed hypotheses for solution through a process of deliberation; (7) the initiation of the activity prescribed by the hypotheses. (Seidman, 1972 : 316)

8 Seidman, Robert B., "Law and Development: A General Model", *Law and Society Review*, Febr. 1972, p. 311-339.

the behavioral consequences of a proposed rule. In the second place, the model should provide criteria with respect to values. It is in connection with this second item that the concept of Seidman is relevant to Indonesia. Although his work is based on conditions in Africa, there is no doubt about their resemblance to those in Indonesia. Seidman confirms the competition of the values of *Status*, *Contract* and *Plan* for recognition in policy decision-making activities. Those three values correspond with the existence of the traditional, modern and national spheres which bear upon Indonesian life. The law-maker has to make his choice between those three competing values, and the model for law and development must specify the jural postulates for each, so that the law-maker may use it to implement his policy.

Although as a political issue this concept of the use of law to shape the society or to induce social change has more or less been established, one still doubts the effectiveness of the use of the instrument. This feeling of insecurity centers around the question of whether we can point at one factor as the only cause that induces social change, in this case whether law can do it. *Richard T. La-Piere* has expressed this feeling of insecurity in the following words. "It is of course conceivable that man had at long last discovered a technique whereby planned, generalized changes can be brought to successful fruition and that, as a result of this discovery, new laws of social change are presently at work; but there is no evidence of this effect, and so far those deliberate changes that have been attempted have had unascertainable or unanticipated consequences. It is therefore to be expected that the significant social changes of the future will come about, as they have in the past, in a random and segmental fashion and that most of the legislated and other grandiose attempts to shape the social future will in the perspective of time turn out to be no more than social events . . ."⁹

Although there are firm reasons to believe that it is quite difficult to prove that law by itself can manage to bring about desired change, one can still find another reason to buttress the concept of social-engineering by law. To support this view, one begins with demonstrating another concept of law as "an order which is guaranteed by coercion to bring about conformity to its rules". This coercion will be applied by a staff of people holding special

9 La Piere, Richard T., *Social Change*, Tokyo: Kogakusha Company, Ltd., 1965, p. 69

offices specially created for the purpose of enforcing the rules. As an institution within society with these special characteristics of having access to the monopoly of power, with law as an instrument many things can be achieved, as *Arnold M. Rose* used to say, "... New laws, because they have force and prestige behind them, are more likely to reach and affect a larger number of citizens quicker than other institutions ..."¹⁰ This concept, which the author himself has called "the initial push", considered law as having the advantage of reaching far above other social institution in inducing the desired change.

That it is difficult to appraise the effective use of law to induce change is reflected by the opinion that law both casts back and in turn influences the course of social change.¹¹ Outside of the question of whether law is capable of bringing about change, there is no doubt that legal recognition and sanction of certain rights have led to the enjoyment of such rights where it didn't exist before. This is the case with the recognition and enjoyment of minority rights in the United States at a certain stage in the legal development of that country, where such recognition enjoyment had previously not been possible. Making comment on this development, *Edwin M. Schur* wrote the following passage: "Pronounced change undoubtedly *followed* such legal recognition, and to quibble about whether it was really caused by the legal steps seems unnecessary. Admittedly, some atmosphere or activity had to be created that would lead to such legal measures in the first place. At the same time, these forces alone could not exert the power in shaping general behavior that became possible through legal action ..."¹² In the case of the use of law to reduce personal prejudices against blacks in the United States, legislation and judicial holdings relating to that matter must be considered effective if in fact they lead to a wider public implementation of individual rights.

IMPLEMENTATION OF THE CONCEPT IN INDONESIA

If we put aside the technical requirements needed for a real implementation of the concept, there is considerable evidence in

¹⁰ Rose, *Arnold M.*, 1956, p. 52-63

¹¹ Schur, *Edwin M.*, *Law and Society*, N. Yok: Random House, 1968, p. 135-139

¹² *Ibid.*, p. 136

Indonesia of the use of law to induce change or to carry out certain political decisions. This has long been the case, beginning with the dawn of the era of Dutch imperialism.

The help of the law was invoked when the Dutch colonial government had to establish the indigenous structure of society, especially in Java. History has demonstrated that the government had failed in doing business directly with the Indonesian people, because the latter was at the moment still used to a pattern of economic relations based primarily on patron-client relationships. In this situation, the mass of the people owed tribute to those of the court. In this structure of relations, people outside the court would produce the necessary food for the court in return for protection. So, when suddenly they had to face a modernized pattern of trade, in which individual initiative and responsibility were required, they found it difficult to change their behavior to accomodate it to the new situation. With this attitude held by the mass of the people, the colonial government was certainly seriously hampered in its efforts to acquire the various materials they needed. This situation eventually required the government to ask for help from the indigenuous elite. The first thing to be done, however, was to restore the position of this traditional elite class. Afterwards it seemed that to be more effective, this step had to be followed by another more fundamental one, i.e. the conservation of traditional society and customs. The outcome of this policy was made manifest through the articles 131 and 163 *Indische Staatsregeling*, which confirmed two things, resp. (1) the division of the people into three categories, i.e.: the Indonesian, the European, and the Foreign Eastern People; (2) the existence of the modern (European) law side by side with the customary (Adat) law. From this point of view, the above mentioned regulation had taken a very important position in engineering the Indonesian society, the effect of which is still felt and can still be seen today.

The greatest effort of the Indonesians to restructure their society using law as an instrument by way of passing the *Undang-undang Dasar 1945* (Constitution of 1945). This highest legal product which forms the basis for the Indonesian legal system can be regarded as performing an initial push toward shaping a new Indonesian society. It embodies among others the *Pancasila* and other essential articles which give direction to the making of further legislation

and to the shaping of the social, political and economic life of this country.

Another effort to bring forth substantial change in the existing legal system and social-economic life in general was accomplished by the enactment of the *Undang-undang tentang Ketentuan-ketentuan Pokok Agraria* (Law No. 5/1960 on Basic Agrarian Provision). As was described above, the Indonesian society of the colonial period was divided into three social and legal spheres. This pluralistic system pervades through all the existing regulations and of course made considerable impact on the daily life of that period. It has helped in shaping two kinds of society which existed side by side in one and the same territory. Although it has not had the same influence as in South Africa, it cannot be overlooked that Indonesia has shared the same fate as any other colonial country, i.e. of undergoing a "society with two classes of citizenship". The greatest achievement the 'Undang-undang Agraria' has obtained is in serving to break through the still persuasive notion that each population group required a distinct law. The color line which marked a colonial society was given up and the Undang-undang Agraria was the first legislative product since independence which established this new legal principle.

Another piece of legislation of the same kind as the Undang-undang Pokok Agraria, i.e. which tried to shape a unified legal system, was the *Undang-undang tentang Perkawinan* (Law no. 1/1974 on Marriage). This law is a unique one, because although it was arranged to meet unification, it allowed much room for variations in procedure according to the different religions held by the people. From the standpoint of using law as an instrument to induce change, the *Undang-undang Perkawinan* has laid down, among others, the following principles:

1. Marriage should primarily promote the nuclear family, that is, one which consists of the two parents and their children. The authoritative interpretation of the text has stipulated that the parents are responsible for the education of their children. These two items combined are conducive to changing the traditional structure of kinship and family in several parts of the country. Minangkabau for instance, has until recently maintained a definite type of family structure based on the principles of an extended family.
2. The rule or the expected behavior is that a husband is allowed

to marry only one wife. Exception is allowed only on terms stipulated in the act. Although polygamy is still possible, depending on the religion one holds, the act has openly announced its firm will to prescribe a monogamous marriage.

I have chosen the above examples in order to demonstrate that the use of law to shape the society or to induce change is not totally alien in Indonesia. Despite these examples, however, the systematic application of the concept by the government will have to wait until Minister of Justice *Mochtar Kusumaatmadja* (presently Foreign Minister) has made his explicit statement about the mechanism of the use of law as a tool for social engineering in Indonesia.

At a seminar on the reciprocal relation between law and social realities in 1976, Mochtar stated the following themes:

1. Law in Indonesia should not be considered only as a system of norms of behavior, but also as a device for development.
2. In order to develop this view, first, rational scaling should be made for the determination of priorities according to the needs of the society.
3. Since scientific law-making needs to be supported by substantial research, and since government offices are usually not prepared for this kind of activity, cooperation with universities and other proper institutions is necessary.
4. In order to produce effective regulations, we have to address our attention also to the institutions and processes needed to realize our thinking about law.
5. The stages in law-making are as follow:
 - (1) Itemization and evaluation of relevant data. At this stage, the governmental departments will need the help of research institutions and universities.
 - (2) Studying the issue which will be put into the law. To do this, the various Departments will also need the cooperation of the above mentioned institutions.
 - (3) The formulation of the subject in terms of legal techniques, and the systematic placement within the whole legal system.

As was mentioned above, this is the first explicit and comprehensive statement ever made by the Indonesian government on the use of law as a tool for social engineering. In the context of the effectuation of this policy, the Department of Justice has played an

important role in stimulating the whole governmental machinery and has constituted a key integrating force. A special section of the Department, i.e. the *Badan Pembinaan Hukum Nasional* (Institution for the Development of the National Law), has been reorganized and functions as a link between the government and the universities and other scientific institutions in doing the planning and research for preparing legislation.

Finally, we will examine the role of the court in Indonesia in regard of this social engineering. As was mentioned in the introductory part of this paper, unlike the judicial structure in the Anglo-american countries, in Indonesia we do not resort to the system of *stare decisis*, which contains the principle that the lower courts should uphold decisions once they are made by the higher courts. In such a system, what has been decided by the higher court should function as a guide for the lower courts in deciding similar cases. Some common law jurists have made clear expressions about the central role of the courts. In his now classic declaration, *Cardozo* stated that law is "a principle or rule of conduct so established as to justify a prediction with reasonable certainty that it will be enforced by the courts if its authority is challenged." And then the famous *Holmesian* dictum which stated more bluntly, "The prophecies of what the courts will do in fact, and nothing more pretentious, are what I mean by the law."¹³

In spite of the unfavorable situation the Indonesian courts have to face, compared to that of the common law countries, one can not say that our courts have no share at all in shaping our society. After all, the decisions made by the courts still hold the title of one of the sources of law here in Indonesia.

One such decision, which was made by the Supreme Court, is the one which determined the widow as her husband's heir (No. 302 K/Sip/1960). The decision has brought an end to a long wavering attitude toward the position of the widow in inheritance cases. Although it is a common trend to give part of the inheritance to the widow so as to support her life, this is not the same as establishing a principle of rights on inheritance. Through this decision, then, the Supreme Court has made a blunt declaration which has established the position of the widow as her husband's heir.

13 Both quotations are from Hoebel, E. Adamson, *The Law of Primitive Man*, Cambridge, Mass.: Harvard University Press, 1967, p. 22

The most pronounced effect of this decision is felt in the adat spheres all over the country, which means that the decision has a *unifying* effect. Considered from a political point of view, this determination accelerates the effort toward building a united and solid nation.

The role of the courts to be effective depends on several variables, which are: (1) The formal power of the court as allocated by the constitution; (2) The values held by the judges which in turn will determine their attitudes; (3) The social, political and economic environment in which courts operate; (4) The perception of the people of their courts. In judging the effect of a court's decision, there is no such thing as a direct result of a particular decision, since most social changes occur as the result of multi-institutional and incremental processes.

THE MODERN CONCEPT OF LAW

The use of law as a tool of social engineering as the purposeful manipulation of legal rules and the legal system in order to achieve desired goals or to induce change, may be considered as a function of the modern concept of law. One of the salient features of modern law is its characterization as a form of purposive human action.¹⁴ To yield a clearer picture of this conception, modern law is usually contrasted with the process of social ordering in traditional societies. Within these traditional societies, patterns of conduct are defined and maintained by primary social groups, such as the village or tribe. Compared with modern societies, these traditional societies are far less dynamic since their prescriptions are shaped from history and customs. *Hart* has used the term primary rules of obligation to depict this kind of social structure.¹⁵ These rules emerge only in a small community closely knit by ties of kinship, common sentiment, and belief, and placed in a stable environment, which successfully nurture these unofficial rules. From a modern point of view this traditional or primitive system is uncertain, static and inefficient.¹⁶ Some other writers have at-

¹⁴ Trubek, David M., *op. cit.*, p. 4

¹⁵ Hart, H.L.A., *The Concept of Law*, Oxford University Press, 1972, p. 89

¹⁶ *Ibid.*, p. 90, 91

tributed this kind of normative system to simple societies having recourse only to simple technology and a small differentiation of jobs in the economy. In these societies we find a much higher degree of consensus in norms, and altogether a higher degree of internalization of those norms, than is the case in modern and complex societies,¹⁷ which explains the use of unofficial rules as the proper way of ordering the society.

In contrast to these traditional or primitive societies, modern societies are complex ones. This complexity is manifested in the higher differentiation of economic roles or the sharper division of labor in society, and the much more intensive conflict of values and interests in society. It is certain that the primitive ordering of society through the employment of simple and unofficial rules can not be maintained anymore.

Since unofficial ruling, i.e. the use of custom and other forms of informal ordering, is no longer compatible with the complexity of the substance to be regulated, the only choice still available for use is that of conscious control, or law making. Conscious control over the normative system provides a tool by which man's intelligence and consciousness can control social processes to achieve the desired goal or the type of society preferred.¹⁸

From the point of view of the concept of modern law discussed above, we can say that the use of law as a tool of social engineering is an inherent trait of the modern legal system. Most of the objections raised against this type of social ordering can be categorized into one phrase, i.e. social ordering represent the perceived manipulation of the human will. Let us stay for a moment with this objection.

I agree that the so-called manipulation of human wills has its origin in the concept of the legal system as a means for and an embodiment of purposive human action. It would be hard to believe that this manipulation instead came forth out of a concept of law merely as a tool of social control. In this latter case, law is not conceived as man's intelligence and conscious control over social

17 Chambliss, William J., and Seidman, Robert B., *Law, Order and Power*, Reading, Mass.: Addison-Wesley Publishing Company, 1971, p. 25

18 *Ibid.*, p. 9

processes to achieve a desired goal, but only to strengthen what hitherto has been practiced. I can not agree, however, that as a purposive human action, a legal system is identified as a crude manipulation of human will. On the contrary, I am more inclined to see the concept of social engineering as an intelligent approach toward ordering the society and to keep undesired effects to a minimum level. The regulation of society today, be it done consciously or not, is always a manifestation of a purposive human action. And to my opinion it is better that it be carried out intelligently rather than haphazardly.

CONCLUSION

This article is far from pretending to cover the subject completely and to discuss the problem comprehensively. For instance, a detailed discussion of the functions of the legislature and the judiciary in connection with the concept of social engineering has been left undone. The concept of social engineering as a process of intelligent and purposive human action is a very complex endeavor. It can be seen as a broadening of outlook, i.e. from a pure normative handling of legal issues toward a multi-dimensional approach to the business of law, for instance by utilizing the sociological, managerial, anthropological and psychological points of view.

Although it is not agreed that we consider the concept of social engineering as merely a manipulation of the human will, it will be very wise if we always bear this objection in mind as a warning that we do not treat the human society as a physical object without a soul. But after all, law as a tool of social engineering is just a particular method of doing things, and the use of it will be determined by the values and philosophical outlook of society itself.

THE PROSPECTS OF PEPPER PRODUCTION IN SOUTH SUMATRA PROVINCE

Nurimansjah HASIBUAN

I. INTRODUCTION

The second Indonesian five-year plan pointed out that certain export commodities such as rubber, palm-oil, coffee, tea and pepper need to be increased. These commodities still contribute greatly to national export earnings and provide employment as well. The cash-crop plantation sector has absorbed a considerable amount of labour force and therefore plays an important role in regional development.

The aims of this paper are:

- (1) To observe production conditions for pepper (mainly white pepper) in South Sumatra Province;
- (2) To describe briefly both the domestic and foreign market structure of the product;
- (3) To estimate the farmers' incomes;
- (4) To design a linear model for forecasting the pepper production in South Sumatra Province.

Black pepper has been produced mainly in Lampung, a province in the southern part of Sumatra, and on Bangka, (an island off the Sumatran coast). Before the second World War Bangka was also well-known in both Europe and the United States as a producer of white pepper, also referred to as "Müntok"¹ white pepper. Today, approximately 85-95 percent of the total production of white pepper in South Sumatra comes from

1 Müntok, is a name of a town in Bangka Island; a market center of white pepper from the surrounding area.

Bangka and Belitung (a neighbouring island off the Sumatran coast). The annual production of pepper in Bangka constantly increased between 1964-1974 with an annual growth of approximately 4.5 per cent. It is necessary to note however, that there was a decrease in average productivity per hectare as a result of the lack of technical know-how about cultivation.

The observation of the market structure of the commodity is based on the following considerations:

- (a) The condition of the export commodity in the domestic market is not good for competitive motivation with other countries which produce the same commodity;
- (b) The bad market structure has resulted in unrest among farmers, because it has reduced their incomes and will make undesirable the increase in commodity exports, especially white pepper product.

The primary data on the market structure was obtained through a field survey that was carried out in 1975, as well as from the office of the Governor of South Sumatra, the Agricultural Departments in Palembang and Pangkalpinang, and other sources. The survey data revealed the marketing process from the producers (small holdings) to inter-province traders and exporters (foreign countries) and, production and marketing costs. The statistical data traced trends in volume, the value of the pepper exports, production outputs, and annual rainfall over the past eleven years.

Following is a description of a linear model for the production of pepper. The model is a behavioral equation in which the production of pepper is explained by the linear interaction of four regressors, namely: area, prices, rainfall, and years. The second model is also a behavioral equation with exports, volume, domestic trade volume and stock as its regressors. The third model interprets production in terms of areas, export, volume, stocks, domestic trade volume and world prices of white pepper.

This analysis is based on data collected between 1964-1974. In order to fit the regression model, experiments are made by allowing different lag structures in the regressors. These models are designed in two forms: ordinary linear form and logarithmic form.

II. TREND OF AREAS AND PRODUCTION

During the last twelve years, the area of pepper plantations in South Sumatra has increased by an annual growth rate of approximately 5.5 per cent with an annual average increase in the harvest by 5.10 per cent.

The production per hectare each year during that period amounted to 1.36 tons. Shown in table 1 is the development of the pepper production in South Sumatra during 1963-1974.

TABLE 1

THE TOTAL GROSS AREA, HARVESTED AREA, AND PRODUCTIVITY PER HECTARE OF PEPPER COMMODITY IN SOUTH SUMATRA PROVINCE IN THE PERIOD 1963-1974

<i>Periods</i>	<i>Gross Areas (ha)</i>	<i>Harvested areas (ha)</i>	<i>Production per ha (ton)</i>
1. 1963-1965	4,586	2,943	1.4450
2. 1966-1968	5,731	3,588	1.2990
3. 1969-1971	4,406	4,238	1.3360
4. 1972-1974	6,986	4,402	1.4280

Source: Processed from Table 1 in appendix.

The total harvested areas make up approximately 63 percent of gross areas. The average production per hectare in the first three years was relatively high; in the second period it decreased; in the third and the last period there was an increase again.

The total of the harvested areas vary each year due to factors such as price fluctuation, crop infestation, the seasons, and the potential area available. The main cause for decline in production in 1967 was "yellow disease" and pests, which destroyed 24.50 percent of the total area.² Reports from a survey revealed that in 1975, damaged areas decreased by 21.4 percent.

Below is a comparison between ideal and real production of 48 farmers in 1975 and the production of individual farmer groups:

² Report of the Pepper trade and Production in Lampung, Bangka and Belitung. Agriculture Institute in Bogor, in 1967, the percentage was about 32.60 percent. An error was found and after revising the percentage it became 24.50 percent.

TABLE 2

COMPARISONS BETWEEN IDEAL AND REAL PEPPER PRODUCTION IN BANGKA

<i>Groups (1)</i>	<i>Production (kg)</i>		<i>% (4)</i>
	<i>Ideal (2)</i>	<i>Real (3)</i>	
1. I	8,636	7,280	84.30
2. II	6,080	3,850	63.30
3. III	1,429	650	45.50
4. IV	4,500	4,500	100.00
Total	20,645	16,280	78.86

Source: Research and Social Services Institute, Faculty of Economics University of Sriwijaya

The growth unit of the pepper plant is 5 years. The first harvest is in its third year, and after three yields the plant dies.

The farmer then cultivates new pepper plants in his own land or by shifting to other land. The total cost of production per year is presented in the following table:

TABLE 3

THE COST OF PRODUCTION PER HECTARE OF WHITE PEPPER PLANTS CORRESPONDING TO THEIR AGE

<i>Age (years)</i>	<i>Cost in Rp (US\$)</i>	<i>%</i>
1	119,043 (287)	19.40
2	170,921 (412)	27.85
3	105,471 (254)	17.19
4	127,148 (306)	20.72
5	91,049 (219)	14.84
Total	613,632 (1479)	100.00

Source: Research and Social Services Institute, Faculty of Economics University of Sriwijaya

The average cost of production of white pepper in one hectare amounts to approximately Rp 122,726. Table 4 illustrates the distribution of the costs of each activity.

The highest cost seen is in the soaking of the pepper; included is the expenditure on good quality sacks into which the pepper is placed and then soaked. The soaking process requires a great deal of attention so as to maintain the quality of the pepper.

TABLE 4

PROCESSING COST PER TON OF WHITE PEPPER IN BANGKA IN 1975

<i>Activities</i>	<i>Cost</i>	
	<i>in Rp (in US\$)</i>	<i>%</i>
1. Harvesting	2,485 (5.99)	17.46
2. Soaking	4,734 (11.41)	33.26
3. Washing	1,157 (2.79)	8.14
4. Drying	1,620 (3.90)	11.38
5. Packaging	2,512 (6.05)	17.65
6. Transportation	1,724 (4.15)	12.11

Source: Research and Social Services Institute, Faculty of Economics, University of Sriwijaya

III. MARKET STRUCTURE

1. Marketing Channel

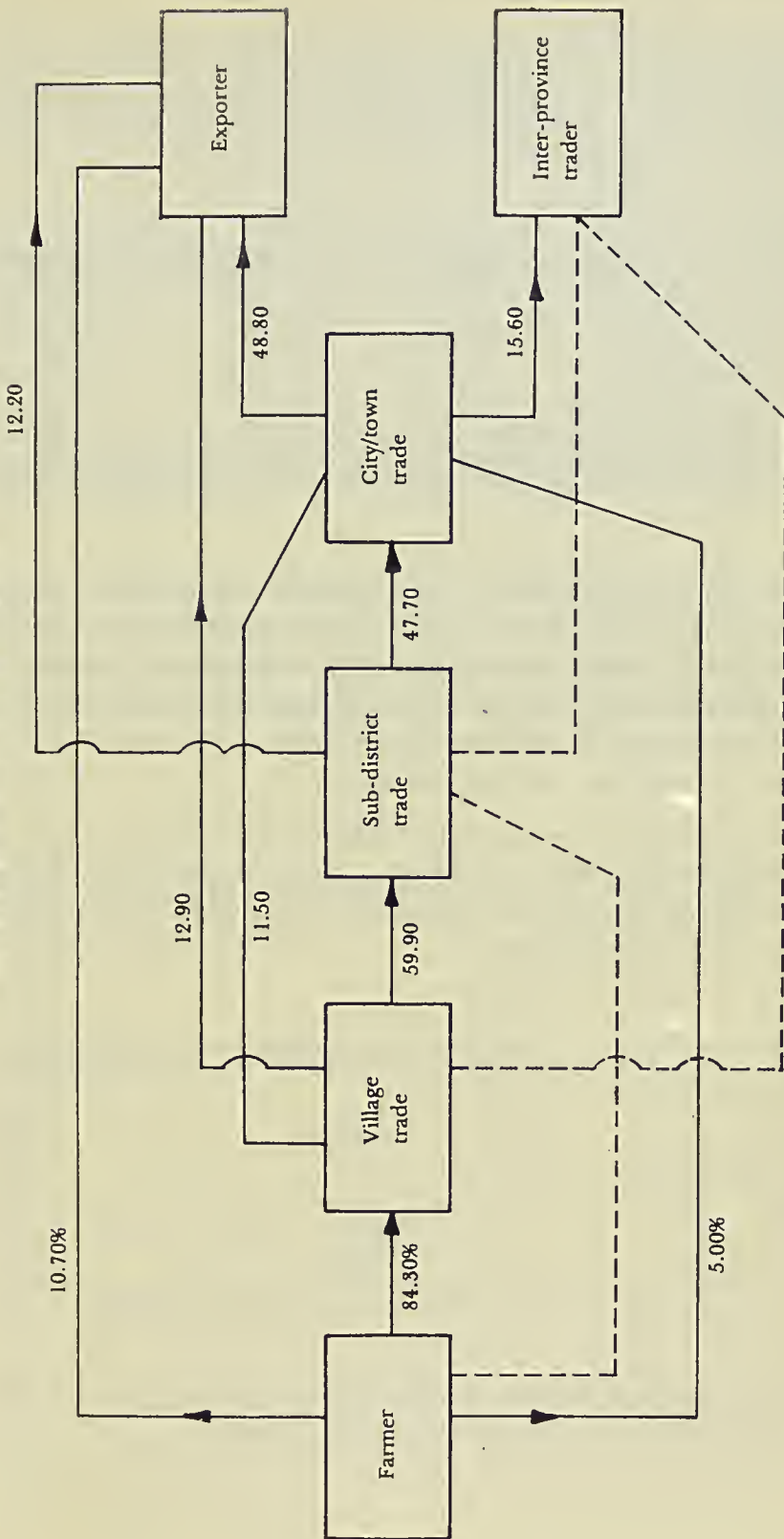
The market structure indicates that there is unsound competition between middleman and exporters. The traders can be grouped into four categories: village traders, sub-district traders, town and city traders, and exporters or inter-province traders.

We learn from the field survey that each collecting trader (village trader) buys pepper from 25 small holder farmers, and that the product then passes through different channels before it is exported. The channels may vary, as the following table demonstrates.

TABLE 5

<i>Channels</i>	<i>Volume</i>
(a) Farmers to village traders	84.30
Village traders to sub-district traders	59.90
Sub-district traders to city traders	47.70
City traders to inter-province traders	15.40
Exporters	48.80
(b) Farmers to city traders	5.00
(c) Farmers to exporters	10.70
(d) Village traders to city traders	11.50
(e) Village traders to exporters	12.90
(f) Sub-district traders to exporters	12.20

CHART OF MARKETING CHANNEL OF
WHITE PEPPER PRODUCT IN BANGKA 1975



--- There is information from farmer, but it was not found quantitatively during the survey.

2. Export Trends

Export volume and inter-province trade of pepper has increased in the last eleven years. The annual increase is shown in the following table:

TABLE 6

THE AVERAGE OF ANNUAL INCREASE IN TRADE VOLUME BETWEEN 1964-1974	
<i>Items</i>	<i>%</i>
1. Production	4.50
2. Foreign trade	6.72
3. Inter-province trade	11.95
4. Domestic and foreign trade	7.56

Source: Trade Department Agency Report of South Sumatra, 1969. See also appendix Table 2.

The annual growth of inter-province trade has increased considerably. There is also a possibility that the product was exported from other domestic ports. The comparison between export quality and domestic trade of pepper commodity (FAQ and ASTA for export quality and crude product for domestic trade) seemed to support that indication.

West Java and Central Java make up the largest proportions in the domestic trade: 29 and 27 per cent respectively, while the potential regions for the domestic trade of this commodity are Jambi, Celebes and Irian.

TABLE 7

COMPARISON OF EXPORT AND DOMESTIC TRADE OF PEPPER COMMODITY BY QUALITY '75 (%)

<i>Qualities</i>	<i>Exports</i>	<i>Domestic</i>
1. Crude product	—	12.50
2. FAQ	58.33	37.50
3. ASTA	16.67	37.50
4. Rested product	25.00	12.50

Source: Research and Social Services Institute Economic Faculty Sriwijaya University.

The total and average trade volume to other provinces during the last three years is set out in Table 8.

TABLE 8

DOMESTIC TRADE VOLUME OF PEPPER COMMODITY FROM SOUTH SUMATRA
IN 1972-1974

<i>Provinces</i>	<i>Trade volume</i>			<i>annual growth (%)</i>
	<i>total (ton)</i>	<i>%</i>	<i>averages*</i>	
1. South Sumatra	471.20	12.20	157.07	11.48
2. West Sumatra	166.84	4.47	55.61	11.81
3. North Sumatra	358.63	9.61	119.54	8.32
4. West Java	1,076.24	28.83	358.75	10.24
5. Middle Java	996.39	26.69	332.13	12.25
6. East Java	663.45	17.78	221.15	7.05
Total	3,732.75	100.00		

Source: Research and Social Services Institute Economic Faculty Sriwijaya University
per year during 1972-1974

Table 9 shows the export volume 1968-1973 to other countries, whereby the largest proportion was absorbed by the Common Market. In the future the market is expected to expand to the Socialist countries and Australia. Since 1973 a small proportion of the export volume has flowed to the East European countries.

TABLE 9

EXPORT VALUES OF PEPPER COMMODITY FROM SOUTH SUMATRA TO
OTHER COUNTRIES 1968-1973

<i>Destination Countries</i>	<i>Values (US\$. 1000)</i>	<i>% Total</i>	<i>Averages (per year)</i>
1. Common Market	17,816.13	64.96	2,969.36
2. United States	6,707.96	24.46	1,117.99
3. Singapore	2,636.59	9.61	439.43
4. Japan	116.84	0.43	19.47
5. East European Countries	149.94	0.54	24.99
Total	27,427.46	100.00	4,571.24

Source: Processed from appendix 3 (excluded 1970)

During this period the export values have shown unstable fluctuations. For instance, in 1968 the United States imported practically nothing, but in 1972 their imports totalled US\$ 5.6 million; in 1973 their imports decreased to become 11 per cent of the 1972 import values. A similar fluctuation occurred in the Common Market countries.

The contribution of pepper export values to South Sumatra (excluding tin and oil) during the last eleven years are presented in Table 10.

TABLE 10

EXPORT CONTRIBUTION OF PEPPER COMMODITY TO SOUTH SUMATRA
EXPORT VALUES (1964-1974, EXCLUDING TIN & OIL)

<i>Years</i>	<i>Conditions</i>	<i>% Contributions</i>
1. 1970	The lowest	2.62
2. —	Average	7.10
3. 1971	The highest	10.54

Source: Processed from Trade Department Agency Report 1964-1974

In 1970, the government decided on a new policy and established the Indonesian Pepper and Marketing Board with the aim of reducing the tough competition Indonesia faced from Malaysia and India; this resulted in the low contribution of pepper from South Sumatra. The Asian Pepper Community was designed to create cooperation between the consumer and producer countries. 1970 was a consolidation period for both domestic and foreign market improvements.

IV. THE INCOME OF THE FARMERS

The aim of improving the market structure of the pepper trade in the interest of small holders who were directly involved in the plantations; in number they totalled approximately 172,000. An imbalance of market structure is called a *monopsony*: weak farmers versus traders (exporters, city/town traders and other middlemen).

In the cultivation of pepper in Bangka and Belitung, a great deal of effort is required, not only in the tending of the crops but in replanting and also in raising capital throughout the year until harvest time.

The cultivation of pepper is more intensive in Bangka and Belitung than in Lampung (where most of the black pepper of Indonesia is cultivated). This is due to the fact that soil is less fertile in Bangka and Belitung.

The primary data obtained in 1975 stated that the main problems faced by farmers in the cultivation of pepper was the absence of fertilizers and facilities/chemicals for the eradication of pests. In order to obtain fertilizers the farmers borrowed money from the traders and repaid them through their yield; this left them with practically nothing from the harvest to live on.

TABLE 11
THE FARMERS PROBLEMS IN BANGKA REGENCY

<i>Problems</i>	<i>% Total sample</i>
1. Capital shortage	42.10
2. Need for fertilizer	37.20
3. Need for equipment and pesticides	10.10
4. Soil condition	6.10
5. Others	4.30
Total	100.00

Source: Institute for Research and Social Services Economic Faculty Sriwijaya University

To cope with their financial problem, the farmers in Bangka borrow money, barter their yield and sell their goods. They also seek other forms of employment like mining, rubber tapping, or fishing.

The distribution of profit margin among farmers, middlemen, and exporters is shown in Table 12.

TABLE 12
PROFIT MARGIN OF EACH MARKET INSTITUTE OF PEPPER IN BANGKA REGENCY

<i>Producers/traders</i>	<i>Margin I*</i>		<i>Margin II**</i>	
	<i>(in Rp.)</i>	<i>%</i>	<i>(in Rp.)</i>	<i>%</i>
1. Farmers	173,222	49.25	173,222	71.18
2. Village traders	1,332	0.38	1,332	0.55
3. Sub-district traders	1,087	0.31	1,087	0.45
4. City/town traders	11,552	3.28	9,052	3.72
5. Inter-province traders	—	—	58,683	24.10
6. Exporters	164,560	46.78	—	—
Total	351,753	100.00	243,376	100.00

Source: Institute for Research and Social Services Economic Faculty Sriwijaya University

* Through channel I, from farmers to exporters;

** Through channel II, from farmers to inter-province traders

City traders and exporters have access to commercial banks for loans whereas farmers and village traders and sub-district traders have to rely on exporters and inter-province traders for loans, for government banks give very limited assistance to them. High production and transportation costs also effect the farmers. Table 13 indicates a proportion of production and transportation costs calculated from revenues per ton of white pepper.

It is necessary to note that 61 per cent of the farmers' income comes from the pepper plantations and the remaining 25 per cent come from non-agricultural activities.

TABLE 13

(1) House-hold expenditure	Rp. 391,210	
(2) Income from pepper plantation		Rp. 239,333
(3) Income from other plantations		Rp. 18,780
(4) Income which come from non-agricultural activities		Rp. 98,390
(5) Discrepancy		Rp. 34,707
	Rp. 391,210	Rp. 391,210

V. THE PROSPECTS OF PEPPER PRODUCTION

Looking at the prospects of pepper in South Sumatra, especially in the Bangka and Belitung Regencies, the following aspects should be considered:

1. Marketing prospects;
2. Farmers' incomes;
3. Production prospects.

Marketing prospects, obviously, are primarily determined by foreign consumption and, to some extent, by domestic consumption. If marketing prospects are favorable, it will encourage the farmers to cultivate their plantations, but on the other hand, how far can the benefits increase the farmers' incomes?

1. Marketing Prospects

In order to observe marketing prospects, it is necessary to look at the trends of both domestic and foreign demands. Dur-

ing the eleven years considered (1964-1974), the proportion of the inter-province trade volume increased by 5.50 per cent. Lampung province is a well-known exporter of black pepper; approximately 60-70 per cent of Indonesia's pepper export originates from this region. In addition to this, white pepper is also still in demand for special needs.

The trend of world demand³ for pepper is still high (approximately 8 per cent in 1973 to 1974) but over the eleven years (1964-1974), the average annual growth of world demand was approximately 2,7 per cent. World exports decreased considerably in the period of 1969-1971 due to the decrease in the world pepper production. Following this period, (1972-1974) world pepper production recovered from the unfortunate condition of the preceding years. The estimated projection of world demand⁴ for 1980 and the average annual increase in net imports is 3,6 per cent. The import demand of China which is being considered as a future market, was *not included* in the estimation.

The most striking point is that Indonesia's share of world pepper trade declined as shown in Table 14.

TABLE 14

INDONESIA' SHARE OF WORLD PEPPER TRADE IN 1955-1973 (IN %)

Periods	Exporting countries			
	India	Indonesia	Malaysia	Others
1. 1955-59	30.34	39.21	24.54	5.91
2. 1960-64	35.41	33.46	21.28	12.18
3. 1965-69	27.89	26.20	27.44	18.47
4. 1970-73	20.00	20.00	25.71	34.29
Averages	29.99	30.10	24.36	15.55

Source: Processed from Commodity Review and outlook and Plantation Crops a Review.

Indonesia's competitors besides India and Malaysia are Sri Lanka, Cambodia, Malagasy and Brazil. The price of white pepper shot up in 1973, which was a reflection of the continued shortage in the previous years.

³ Processed from Table 4, in Appendix

⁴ Commodity Review and outlook 1972/73, Food and Agriculture Organization of the United Nations, pp. 151

Where trends of inter-province and export trade volumes are concerned, the average annual increase was around 13 to 10 per cent respectively.

TABLE 15

EXPORT AND INTER-PROVINCE TRADE TRENDS FROM SOUTH SUMATRA

<i>Periods</i>	<i>Exports*</i> (in ton)	<i>Inter-province*</i> (in ton)	<i>Total</i>
1. 1964-66	4,022	429	4,451
2. 1967-69	3,801	708	4,509
3. 1970-72	3,908	923	4,831
4. 1973	6,990	1,200	8,190
5. 1974	4,365	1,401	5,766

Source: From table 2 in appendix

* averages

2. Farmer Incomes

As has been pointed out, the proportion of output which has benefitted the farmers was about 49 per cent of all profit margins created by farmers, traders, and exporters and middlemen. Farmers' income from the pepper plantation is thus inadequate, and farmers generally require extra employment in order to obtain additional income. Even though the government decided in 1970 to establish a minimum price for white pepper at the subdistrict level (Rp 200,— per kg.) it was unsuccessful because of the lack of market organization and control. It is expected that through the establishment the Indonesian Pepper Board and the setting up of the Asian Pepper Community, the problem of the farmers' income can gradually be overcome. In 1976 the government carried out a feasibility study for designing village cooperatives, in order to give assistance to small-holders, on production and marketing problems. By directly or indirectly reducing invisible taxes and production and, transport costs, the income of the farmers is expected to increase. For instance, a large proportion of farmers still practice shifting cultivation, which is a costly method. As to market cost, the cost of transportation can be reduced by using the CESS and village subsidies more efficiently, as is presently done by the government.

Another important factor in the long-term program, is that the domestic processing of pepper oil (oleoresin) is to be the final

product for export, for it has a stronger flavoring effect than the whole pepper. Another possible advantage is the reduction of transport costs for export to the world market.

Furthermore, the pericarp (outerskin) may be processed to become a certain by-product. At present the outerskin is still thrown away as waste.

3. Production Prospects

India and Indonesia are the world's primary pepper exporters. Before the second World War, Bangka and Belitung were the well-known white pepper producers, but now Sarawak (East Malaysia) has taken over that position.

The main components of market fluctuation in world output during the 1960's notably 1967-1968, was Indonesia, traditionally the world's foremost producer. There has been a depression in the output of Indonesian pepper due to the fact that the plants in Bangka and Belitung are frequently attacked by "yellow disease" and foot-rot disease, widespread in Lampung. These diseases were the main problems during 1967-1971.

Remedial action has been taken by the government to eradicate the diseases. The government has provided millions of rupiahs for establishing greenhouses and purchasing field equipment. A team on disease-control is operating in the two major producing areas of Lampung and Bangka. In Bangka in 1971, a pepper research station was set up whereby assistance is given by the government to selected farmers by providing fertilizers as subsidiaries. Besides, the government has started a 500 ha "Kebun Percobaan" (a pilot project plantation) as a project for preparing the "mass guidance" (a kind of white pepper extension service).

The result of the first remedial action is shown in Table 1. The average annual growth of production was about 4.5 per cent, but, the productivity per ha decreased between 1966-1968 and 1969-1971; and in the last period the table shows an increase. The use of proper fertilizers for the plantation project brought about an increase of production and thus proved the "kebudayaan percobaan" project successful. Other problems to be overcome are the extension of the program to all farmers, especially the small-holders of the remote areas, and the re-training of the farmers. The Indone-

sian government expects an increase by 3,4% per year in the production of pepper during the second development Plan Period (1974/75-1978/79) while the government's target in annual growth of white pepper production in South Sumatra was more than 4,5 per cent per year in 1964-1974.

4. Linear Forecasting Model

This section presents estimates of a linear forecasting model of pepper production in South Sumatra province, using time series data for the period 1964-1974. Six equations were estimated and tested.

Three of them are in ordinary form and the rest are in logarithmic form. The following equations give the results of estimated regression (further, see appendix 2):

$$\begin{aligned}
 (1) \hat{P}_t &= -4 + 0.42A_{t-1} + 0.69M_{t-1} + 1.80H_{t-1} \\
 &\quad (1541) \quad (0.46) \quad (0.53) \quad (0.69) \\
 &\quad S_{P_t}^2 = 613, \text{ and } R^2 = 0.79 \\
 (2) \hat{P}_t &= 846 + 0.63A_t + 0.37E_t + 0.21S_{t-1} - 0.14D_{t-1} \\
 &\quad (1439) \quad (0.43) \quad (0.09) \quad (0.21) \quad (0.14) \\
 &\quad S_{P_t}^2 = 416, \text{ and } R^2 = 0.91 \\
 (3) \hat{P}_t &= 3960 + 0.44A_t + 0.58M_{t-1} + 12.49H_{wt-1} + 32.28W_{dt-1} \\
 &\quad (3080) \quad (0.98) \quad (1.02) \quad (4.95) \quad (30.93) \\
 &\quad S_{P_t}^2 = 582, \text{ and } R^2 = 0.84
 \end{aligned}$$

In the first linear form, 49 per cent of variation is explained by the harvested areas (a lag of one year, A_{t-1}) and 37 per cent by the averages for prices (H_{t-1})

It is found that, a lag one year in the regression increases R^2 from 0.56 to 0.79.

Of the coefficients of the explanatory variables, only the coefficient of average f.o.b. prices is significant while the R^2 is very significant with a F value of 7.65 (see appendix 2.1, column 1).

R^2 from the second equation is quite significant with a F value 14, while the coefficient of export volume (E_t) is very significant with a value of 4.20. Areas and Stocks (S_t) are the two dominant variables, but they are not significant (explaining 48 and 53 per cent respectively the variation of production).

Only one coefficient is nearly significant in the third equation, the coefficient of world pepper prices (H_{wt-1}), although the R^2_3 is significant with a F value of 6.78.

The next three equations, in logarithmic form are presented as follows:

$$(4) \text{Ln}(\hat{P}_t) = -1.06 + 0.93\text{Ln}(A_t) + 0.18\text{Ln}(M_t) + 0.08\text{Ln}(H_t)$$

(2.21) (0.25) (0.22) (0.04)

$$S_{1,1}(\hat{P}_t) = 0.1171, \text{ and } R^2_4 = 0.74$$

$$(5) \text{Ln}(\hat{P}_t) = 2.81 + 0.40\text{Ln}(A_{t-1}) + 0.001\text{Ln}(E_{t-1}) + 0.06\text{Ln}(S_{t-1}) + 0.39\text{Ln}(H_{dt-1})$$

(3.81) (0.43) (0.08) (0.38) (0.05)

$$S_{1,1}(\hat{P}_t) = 0.1225, \text{ and } R^2_5 = 0.80$$

$$(6) \text{Ln}(\hat{P}_t) = 5.84 - 0.02\text{Ln}(E_{t-1}) + 0.08\text{Ln}(S_{t-1}) + 0.38\text{Ln}(H_{dt-1}) + 0.05\text{Ln}(D_{t-1})$$

(0.87) (0.08) (0.02) (0.16) (0.04)

$$S_{1,1}(\hat{P}_t) = 0.1149, \text{ and } R^2_6 = 0.82.$$

From the last three equations, only the constant and the coefficient of Stocks (S_{t-1}) in the sixth equation are significant, with t value 6.71 and 3.51 respectively. The elasticity of world pepper prices is 0.38, but its coefficient is not significant, while from equation 4, the f.o.b. price elasticity (H_t , without a lag) is 0.08, but is not significant. Although neither f.o.b. price nor world price is significant, the coefficients indicate that the prices can encourage an increase in production.

Based on both t test and F test the last equation can be taken as a forecasting model. Compared with other equations, the equation six has smallest coefficient and production variances.

VI. CONCLUSION

The second Indonesian five-year development plan pointed out that some export commodities, such as palm-oil, rubber, coffee, tea and pepper, need to be increased.

The government's target is an increase by 3.4 per cent per year in the production of pepper between 1974/75-1978/79, in comparison to the target of the production of white pepper in South Sumatra, which increased by 4.5 per cent per year in 1964-1974.

Although the annual growth excelled the government's target, certain problems such as capital shortage and the relatively high costs of production and transportation still prevail. Further, most

of the marketing is dependent on the world market and there is a fear among the farmers of further yellow-disease attacks.

To overcome the capital shortage, around 44% of the farmers borrow money from traders, 8% barter yield, and 18% sell their goods. The farmers have a profit margin of 49% from f.o.b. price and 61% from the pepper plantations. There is also an effort by the government to give aid to selected groups of farmers. They have set up a pepper research station in Bangka and are taking measures to eradicate yellow-disease and pests.

The Pepper Marketing Board was set up to promote overseas sales and to export better quality pepper directly to terminal markets. Furthermore, Indonesia is now a member of the Asian Pepper Community. Pepper, particularly white pepper, has good marketing prospects, although Indonesia's share in the world market has declined during the last decade. In the estimate projection of world demand for 1980, the average annual growth in net imports is about 3,6 per cent.

Indonesia's exports and her domestic trade volume has increased by 10 and 13 per cent respectively, but to deal with the long-term problems of international marketing, oleoresins would have better prospects. Furthermore, the processing of the pericarp of pepper fruit into a usable by-product should not be disregarded.

In selecting a particular forecasting model (according to available data), the equation six (see appendix 2,2) will be superior to the others.

APPENDIX 1

TABLE I

PRODUCTION, HARVESTED AREAS, RAINFALL AND PRICES (F.O.B.) PER TON WHITE PEPPER IN SOUTH SUMATRA PROVINCE (1964-1974)

	<i>Production</i> = P_t (in ton)	<i>Harvested</i> areas = L_t (in Ha)	<i>Rainfall</i> (in mm) = M_t	<i>Prices/ton</i> (in US\$) = M_t	<i>Years</i> = T_t
1.	4,244	3,081	3,098	736	1 (= 1964)
2.	4,241	3,128	1,963	876	2
3.	4,331	3,170	2,853	827	3
4.	4,293	3,358	1,936	688	4
5.	4,310	4,236	2,213	654	5
6.	6,014	4,434	2,977	652	6
7.	4,983	4,445	2,958	1,296	7
8.	6,707	4,386	2,955	1,085	8
9.	6,640	4,075	3,222	1,059	9
10.	6,830	4,331	2,675	1,389	10
11.	5,179	4,797	2,640	1,727	11 (= 1974)

Source: Nurimansjah Hasibuan, *Prospek Produksi dan Pemasaran Lada Putih di Propinsi Sumatra Selatan*, Lembaga Penelitian Ekonomi dan Pengabdian Masyarakat Fakultas Ekonomi Universitas Sriwijaya, 1975

TABLE II

PRODUCTION, EXPORTS AND STOCKS OF PEPPER COMMODITY IN SOUTH SUMATRA 1964-1974 (IN TON)

<i>Years</i>	<i>Production</i>	<i>Inter-prov.</i> <i>trade</i>	<i>Foreign</i> <i>trade</i>	<i>Stocks¹</i>
1964	4,244	72 ²	3,928	244
1965	4,241	32	3,302	1,151
1966	4,331	619	4,837	26
1967	4,293	417	3,753	149
1968	5,310	1,240	2,972	1,247
1969	6,014	468	4,678	2,115
1970	4,983	728	1,107	5,263
1971	6,707	917	5,940	5,080
1972	6,640	1,123	5,900	4,697
1973	6,830	1,200	6,990	3,337
1974	5,279	1,401	4,365	2,783
Total	58,772	8,782	45,802	4,192
Averages	5,343	798	4,164	381

Source: Trade Department Agency Report of South Sumatra; Report of Bangka pepper survey 1969; Customs Office Pangkalbalam Bangka

1 Including local consumption and smuggling

2 Estimated figure

TABLE III

EXPORT VALUES OF PEPPER COMMODITY FROM SOUTH SUMATRA PROVINCE
IN 1968-1973 (US\$ 1000)

<i>Destination</i>	<i>Total</i>	<i>%</i>	<i>Years</i>				
			<i>1968</i>	<i>1969</i>	<i>1971</i>	<i>1972</i>	<i>1973</i>
1. United States	6,708	24.46	—	—	491	5,579	639
2. Singapore	2,637	9.61	831	1,704	—	—	42
3. Common Market	17,816	64.96	1114	1,221	5,953	667	8,922
4. Japan	117	0.43	—	117	—	—	—
5. Eastern Europe	149	0.54	—	—	—	—	—
Total	27,427	100.00	1945	3,042	6,444	6,246	9,752

Source: Processed from "Trade Department Agency Report" South Sumatra Province, 1968-1973

TABLE IV

WORLD PEPPER PRODUCTION AND IMPORTS 1964-1974 (IN THOUSANDS TON)

<i>Years</i>	<i>Production</i>	<i>Imports</i>	<i>Prices</i> (in MS cents)
1964	—	97.90	—
1965	—	99.80	163
1966	121.20	90.70	196
1967	127.90	118.40	145
1968	139.70	129.70	119
1969	117.40	119.80	141
1970	118.20	118.50	165
1971	124.80	124.30	176
1972	127.50	128.60	180
1973	133.00	120.50	229
1974	134.60	130.20	271

Source: FAO Commodity Review and Out Look 1968/1969-1974/1975

APPENDIX 2

1. ORDINARY FORM

Variables	Equations								
	(1)			(2)			(3)		
	a_{i1}	b_{i1}	c_{i1}	a_{i2}	b_{i2}	c_{i2}	a_{i3}	b_{i3}	c_{i3}
1. constant	-4	1541	0.003	846	1439	1.29	3960	3080	0.59
2. A_t	—	—	—	0.63	0.43	0.45	0.44	0.98	1.48
3. A_{t-1}	0.42	0.46	0.92	—	—	—	—	—	—
4. M_t	—	—	—	—	—	—	—	—	—
5. M_{t-1}	0.69	0.53	1.30	—	—	—	0.58	1.02	0.57
6. H_t	—	—	—	—	—	—	—	—	—
7. H_{t-1}	1.80	0.69	2.59	—	—	—	—	—	—
8. E_t	—	—	—	0.37	0.09	4.20	—	—	—
9. E_{t-1}	—	—	—	—	—	—	—	—	—
10. S_t	—	—	—	0.21	0.10	2.16	—	—	—
11. D_t	—	—	—	-0.14	0.48	0.30	—	—	—
12. H_{wt-1}	—	—	—	—	—	—	12.49	4.95	2.52
13. W_{dt-1}	—	—	—	—	—	—	32.28	30.93	1.04
1. $t_{0.025}$	—	2.45	—	—	2.45	—	—	2.57	—
2. $F_{0.05}$	—	4.76	—	—	4.53	—	—	5.19	—
3. $S P^*_t$	—	613	—	—	416	—	—	582	—
4. R^2	—	0.79	—	—	0.91	—	—	0.84	—
5. F	—	7.65	—	—	14	—	—	6.78	—
6. $D-W$	—	2.46	—	—	1.40	—	—	2.88	—

2. LOGARITHMIC FORM

Ln Variables	Equations								
	(4)			(5)			(6)		
	a_{i4}	b_{i4}	c_{i4}	a_{i5}	b_{i5}	c_{i5}	a_{i6}	b_{i6}	c_{i6}
1. constant	-1.06	2.21	0.47	2.81	3.26	0.86	5.84	0.87	6.71
2. A_t	0.93	0.25	0.74	—	—	—	—	—	—
3. M_t	0.18	0.22	0.82	—	—	—	—	—	—
4. H_t	0.08	0.04	1.84	—	—	—	—	—	—
5. A_{t-1}	—	—	—	0.40	0.43	0.94	—	—	—
6. E_{t-1}	—	—	—	-0.001	0.08	0.02	-0.02	0.08	0.20
7. S_{t-1}	—	—	—	0.06	0.04	1.60	0.08	0.02	3.51
8. H_{dt-1}	—	—	—	0.39	0.17	2.30	0.38	0.16	2.40
9. D_{t-1}	—	—	—	—	—	—	0.05	0.04	1.33
1. $T_{0.025}$	—	2.34	—	—	2.57	—	—	2.57	—
2. $F_{0.05}$	—	4.35	—	—	5.19	—	—	5.19	—
3. $S_{Ln} P^*$	—	0.1171	—	—	0.1225	—	—	0.1149	—
4. R^2	—	0.74	—	—	0.80	—	—	0.82	—
5. F	—	6.75	—	—	4.92	—	—	5.83	—
6. $D-W$	—	1.91	—	—	2.80	—	—	2.97	—

Note: a_{ij} coefficients or constants
 b_{ij} Standard errors of coefficients or constants
 c_{ij} T ratios of coefficients or constants
 $(i = 1, 2, \dots, 6)$

3. NOTATIONS

1. A_t = harvested areas of pepper plantation in period t in ha
2. A_{t-1} = harvested areas of pepper plantation in period $(t-1)$
3. M_t = rainfalls in period t (in mm)
4. M_{t-1} = rainfalls in period $(t-1)$
5. H_t = Average prices of pepper product (f.o.b.) per ton (in US\$.) in period t
6. H_{t-1} = Averages prices of pepper product (f.o.b.) per ton (in US\$.) in period $(t-1)$
7. E_t = export volume in period t (in ton)
8. E_{t-1} = volume of exports in period $(t-1)$
9. D_{t-1} = domestic trade volume in period $(t-1)$
10. S_{t-1} = actual level of stocks in period $(t-1)$
11. H_{wt-1} = Average prices of white pepper commodity per picul (in Singapore dollars) in period $(t-1)$
12. W_{dt-1} = World pepper imports in period $(t-1)$ in thousand tons.
13. Sp^*_t = Standard error of estimated production
14. P_t = estimated production of pepper in period t (in ton).
15. a_{ij} = coefficients or constants
16. b_{ij} = standard errors of coefficients or constants
17. c_{ij} = t ratios of coefficients or constants.

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KABUPATEN/KOTAMADYA IN SOUTH SUMATRA PROVINCE



CHRONICLES

JULY 1978

Internal Affairs

The Minister of Defence/Armed Forces Commander in Chief, General M. Jusuf visited Padang, Palembang, Banjarmasin, Balikpapan, Manado and Ambon for inspections on the efforts that have been made by the army stationed in those respective towns to step up national stability and security and on the living conditions of the soldiers, during the first two weeks of July. On each occasion he stressed on the need of promoting and developing the unity of the armed forces and the people. The armed forces, he said, will be stronger if they practise and combine the ideology of Pancasila, the 1945 Constitution, professionalism with the use of modern facilities. The government will continue in their efforts to raise the social well-being of the soldiers.

On the occasion of the commemoration of the Ascension of Prophet Mohammad on July 3 and to encourage believers of various religions to live in harmony with each other, President Soeharto stated that differences of opinions pertaining to religions and social matters, should not be brought before the mosque which is a place to strengthen the oneness and unity of the community.

On July 4, Commander in Chief of the Command for the Restoration of Security and Order, Admiral Sudomo said in front of the Parliament that in July, October and December 1978, the government will respectively release 10.000 political prisoners of the communist abortive coup of September 1965. This will be carried out in stages as to alleviate the government's task of supervising the released prisoners as they re-integrate within the society. Apart from this, the government together with the people should help resolve the problem of employment opportunities for the ex-prisoners.

A limited cabinet session to discuss national economic problems, took place on July 5. Here, the Minister of Information informed the press about the inflation growth rate of the first quarter of the fiscal year 1978/79 which stood at 0%; during the

first six months of 1978 it stood at 0,7%. He further commented on the food situation at national level which is said to be very good and on the price of rice which is stable.

The Minister of Education and Culture issued the ministerial decree S.K. No. 0211/U/1978 on the new school year. The Minister also had previous talks with the president on July 8, where he told the President the eminence of having a solid system of education before having fixed laws, for such a concept is based on the basic laws of education and culture.

On July 8 the XVII Regional Commander of Cenderawasih in Jayapura, Brigadier General Imam Sunandar handed over his post to Colonel C.I. Santoso.

On July 15, the Head of P7 (Committee of Advisors to the President on the Guide to the Living and Practice of Pancasila) Dr. Roeslan Abdulgani stated at the University of Indonesia that Pancasila, which is derived from the history of the Indonesian Nation that believes in the One and Only God, is an ensurance of the continued existence of the Unity and oneness of the Nation and Constitutes a perpetual guide of State and Nationhood. The aims of courses in Pancasila at Universities is the total development of the Indonesian man by forming the mental attitude towards a combination of idealism and realism.

On July 19, the President instructed at the limited cabinet session on Politics and Security that the Pangkopkamtib (Commander in Chief of the Command for the Restoration of Security and Order) and to all officers concerned, to speed up the publication of the White Book of the abortive communist coup of September 1965, for this book contains the authentic hard facts and background of the abortive communist coup.

The Directorate General of Higher Education Prof. Doddy A. Tisnaamidjaja stated to Kompas and Pelita reporters on July 19 that the new organizational structure of Higher Education in Indonesia as the realization of normalization of campuses, can be concretized in the coming year but the first stage applies only to state universities. According to the new structure, all universities will fall under one general organization. Apart from that, the whole system of Higher Learning should possess a rule of conduct.

On July 21 Minister of Education and Culture Daoed Joesoef installed M. Joenoes M.Sc as the Rector of IKIP (Teachers Training College) in Medan. On this occasion, the Minister instructed all rectors of IKIP and those of the Faculty of Education of all universities to re-arrange the whole academic management system, the educational facilities and the effectivity of the curriculum. The government has also started educational programs whereby diplomas and college certificates may be obtained, to fulfil the demand for teachers, in the Third Five Year Development Plan. He also stated that autonomy still prevails in universities but it should not become an anarchy. Intellectual anarchy will not be tolerated.

The working committee for the Amelioration of Laws and Organization of Health of the Third Pelita (Five Year Development Plan) met in Cipanas at the end of July. On this occasion Minister of Health Dr. Suwardjono, Surjongrat presented the main health problems being faced by Indonesia today. They are: (a) physical and biological environment; (b) social and cultural environment; (c) the development of conscientiousness, understanding and the role of the society; (d) health disturbances in society; (e) medical services, personnel, efficiency of facilities and administration.

International Relations

The Defence Minister of France, General Guy Mery visited Indonesia on 27 June-5 July for talks with leaders of the Indonesian Armed Forces on bilateral military cooperation between the two countries. The French government is willing to extend aid in the form of military equipments as to increase the potential of the Indonesian Armed Forces but the realization and further details of the aid will only be announced after members of the Department of Defence and Security have visited France.

A second ASEAN Conference on Land and Ferry Communication took place in Bali on 14-17 July to have discussions on enhancing cooperation in the field of land and ferry communication. This meet was presided by the Directorate General of Land Communication Sumpono Bayuaji. Terms were made on: (1) Utilizing traffic signs based on the Vienna Convention in 1968; (2) exchanging ideas, information, experience and knowledge on land communication.

Indonesia's Foreign Minister Prof. Mochtar Kusumaatmadja and the Indonesian delegation attended the 5th Conference of Foreign Ministers of Non-Block countries in Belgrad on 25-30 July. Professor Mochtar stated that the non-block countries are facing a rather difficult situation because of Cuba's involvement in the African movement. Indonesia and other non-block countries wish to remain united, for any non-block country that openly chooses another block would violate the principles of non-block countries.

The President of the Republic of Bangladesh, Ziaur Rachman visited Indonesia between 27-29 July for talks on promoting political, economic, social and cultural relations with Indonesia. In their communique the two Heads of State endorsed:

- (1) non-block politics and the maintaining of the original aims of non-block countries on the parts of its members;
- (2) the forming a New International Economic Order;
- (3) the forming of a free zone in the Indian Ocean in accordance with the resolutions of the General Council of the United Nations;
- (4) the backing of Africans who are fighting against racism, apartheid and colonialism.

The World Meeting of Teachers took place in Jakarta on 26 July-2 August. Their theme was "The Teaching Profession in Facing the World of Tomorrow". The meeting was attended by 500 observers and guests from 57 countries. President Soeharto commented that teachers should be given the opportunity to develop their field. Apart from this, the President said that teaching is a profession that determines the future of the youth and the development of the world of tomorrow, because the world of tomorrow is determined by the younger generation and children of today.

AUGUST 1978

Internal Affairs

A national seminar on Education of Pancasila Morality took place in Jakarta on July 26-August 1. The Minister of Education and Culture said in his written address that Pancasila forms the basis of the education of Indonesian children towards tomorrow's

Nation. He stated further that Pancasila as the cultural values of the Nation, should be continuously developed and based on the Guide of the Living and Practice of Pancasila.

On August 9, President Soeharto gave instructions at the limited session of the cabinet on the steps that should be taken to reduce the price of some staples which had gone up during the Moslem fasting period.

On August 6, President Soeharto pointed out at the limited session of the Parliament, the steps to be taken for the implementation of the Third Pelita. In accordance with the Broad Outlines of the State Policy, the development policy in the Third Pelita will be consistently based on the trilogy of development with emphasis on the equal distribution of benefits.

State Minister for Research and Technology Dr. B.J. Habibie said at Parliament on August 18, that at present Indonesia's economy is still dependent on oil. If dependence on oil continues to increase and if oil productivity remains as it is now, by the end of the 20th century she may become an importer of oil.

On August 25, the Minister of Education and Culture installed the Commission of Educational Reform. On this occasion, the Minister said that it is the task of the commission to formulate a concept of an overall, comprehensive and integrated national educational system. Development does not only consist of growth but it also includes development benefits and its equal distribution which should be directed toward the realization of social justice.

International Relations

The chief of the Malaysian Armed Forces, Lieutenant General Tan Sri Dato' Mohd. Ghazali bin Dato' Mohd. Seth, visited Indonesia on August 1-4 to hold talks on intensifying military cooperation between Malaysia and Indonesia. He said that despite differences of development systems between the two countries with regard to the method and approach of achieving national resilience, it should not become an obstacle for the realization of cooperation between both countries. He also said that military operations against communist remnants at the border of Indonesia and Malaysia still prevail.

Foreign Minister Prof. Mochtar Kusumaatmadja told reporters in Jakarta on August 10 that Indonesia had offered her services to the Philippines to help settle the Moslem uprising in South Philippines and she maintains her respect for the authority and integrity of the Philippine sovereignty. He added further that Malaysia's similar approach should not be considered as a step taken by ASEAN, but should reveal the spirit of togetherness of its member countries.

In conjunction with the present non-block movements, Foreign Minister Mochtar Kusumaatmadja said that non-block countries are becoming more and more concerned with economic matters, hence discussions are needed between the North and South. In principle Indonesia opposes any form of foreign intervention in any country, but respects a country's right to have relations with other countries and to ask for foreign aid.

Germany's Minister for Economics, Dr. Otto Graf Lambsdorff stayed in Indonesia for a six-day visit (21-26 August) to promote cooperations in trade, economic matters and industries. He stated the importance of his visit and Indonesia's pivotal role in the stability of South East Asia.

SEPTEMBER 1978

Internal Affairs

The Ministerial Decree of The Minister of Trade and Cooperatives No. 165/KP/IX/78 on September, decided to increase the amount of commodities to be imported (an additional 74 kinds of commodities) by using credit facilities to support domestic industries. Consequently, the number of commodities to be imported by using the L/C becomes 273.

The First Convention of the Functional Groups (MKGR) was held in Semarang on September 20-23, with the aim of making the following a success namely: the first convention, the implementation of the MPR decrees, institutionalization of the constitution and democracy, the upholding of the law, equal distribution of responsibilities and the income of the rural people and the weaker economy group.

The Coordinating Minister of Politics and Security, M. Panggabean told reporters after meeting the President at Bina Graha on September 26 that the President in the Presidential Decree No. 172/M/1978 decided upon the formation of a team of 17 people headed by the Minister to upgrade the civil servants on the results of the General Session of the People's Consultative Assembly of 1978 and that the team should consist of subteams dealing with Pancasila, the 1945 Constitution and the Broad Outlines of the State Policy.

A meeting of Heads of the Department for Agriculture took place in Jakarta on September with the theme: "To Solidify the Agricultural Development Draft of the Third Pelita", which was attended by 600 participants comprising high ranking officials of the central and regional government, heads of sub-departments of the Agricultural Department, bank representatives, the chairman of the Regional Planning Board and, the vice-chairman of the Parliament.

During 8-12 September, French Foreign Minister Louis Guiringaud was in Indonesia for talks with the Indonesian Leaders on promoting mutual cooperation which includes technical aid and military cooperation.

The Dutch Minister of Development Cooperation, Jan de Koning visited Indonesia between 11-22 September for serious talks on cooperation between the two countries in matters concerning health, agriculture, technology, development, the General Agreement on Tariffs and Trade (GATT), and several other international issues/problems.

Indonesia's Foreign Minister Prof. Mochtar Kusumaatmadja and New Zealand's Foreign Minister Brian Talboys signed a trade treaty in Wellington on 19 September on the imposition of special tariffs and trade, and on stipulations to have consultations whenever necessary.

The Prime Minister of the Socialist Republic of Vietnam, Pham Van Dong made an official visit to Indonesia between 20-23 September in the effort to step-up relations between the two countries. In the Communique on 23 September, an agreement was made to probe the prospects of an economic agreement, technical cooperation and, the passing of science. They also made an agree-

ment on post and telecommunications between the two countries and would settle differences in a peaceful, and understanding manner, and mutually opposed foreign intervention. The two countries hold on to the principles of the Non-Bloc countries.

LATEST PUBLICATION

P-4 and GBHN contains: the Decree of the People's Consultative Assembly of the Republic of Indonesia Number: II/MPR/1978 concerning The Guide to the Living and the Practice of Pancasila (A Single Vow in Fulfillment of the Five-Fold Aspiration), and the Decree Number: IV/MPR/1978 on the Broad Outlines of the State Policy, translated into English and published by *Centre for Strategic and International Studies*, 1st Edition (June 1978), 80 pages, US\$ 1.50/Rp 600,— per copy.

- *The Guide to the Living and the Practice of Pancasila is a directive and rule of conduct in the social and political life of every Indonesian citizen, every state official and every state and social institution throughout Indonesia*
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Jalan Gajah Mada 18 — Jakarta Pusat — Indonesia,
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Tlx : 44579 HSAH IA — Cable Address : INDOPROM JAKARTA